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# AUDIT COMMITTEE SUMMARY OF OUTCOMES

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**26 July 2018**  
(Published 27 July 2018)

## **Declarations of Interest – Agenda item 2**

Cllrs Leyshon and Caswell declared interests as they both received pensions through the pension scheme.

## **Minutes from the meeting held on 21 June 2018 - Agenda item 3**

Cllr Leyshon pointed out that she was a member of the committee and it was Cllr Munt who was the substitute for Cllr Coles.

The Committee then **agreed** that the minutes of the meeting held on 21 June 2018 were accurate, and the Chair signed them.

## **Public Question Time – Agenda item 4**

The Chair informed the meeting that as the questions received related to item 6 on the Statement of Accounts they would be heard under that item.

## **Statement of Accounts – Pension Fund - Agenda item 5**

Members were informed that this was a positive report for the Council. The formal process of closing the Pension Fund's 2017/18 accounts, the Chief Financial Officer is required to approve the draft statement of accounts by 31 July.

The report summarised the findings from the 2017/18 audit of the Pension Fund financial statements.

The report indicated that the accounts have received an unqualified opinion.

There was some discussion regarding pensions benefits payable, impact on fund regarding redundancy and transfers of staff and clarity over checking of journals.

The Committee agreed to:

- Approve the audit accounts of the Pension Fund for 2017/18; and
- Approve the letter of representation on behalf of the Council.

## **Statement of Accounts – Somerset County Council - Agenda item 6**

This report was introduced by the External Auditor, Mr Barber. Attention was directed to the Audit Findings report of Grant Thornton and the External Auditor provided an overview of the findings from their audit of the Council's financial statements for the year ended 31 March 2018.

Mr Barber explained that no material errors have been identified and no adjustments to

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the financial statements that resulted in any changes to the year-end outturn position or balance sheet. There was a recommendation regarding improving the presentation of the statements.

With regard to Value for Money arrangements, Mr Barber explained that the auditors were required to evaluate whether in all respects the Council takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people. The work on strategic financial planning concluded that the council does not have proper arrangements in place to ensure sustainable resource deployment. The findings were summarised on pages 13 to 28 and the audit opinion on this was an adverse qualification of 'Going Concern'.

Members were informed that the council could meet its liabilities for the next 12 months and continue to deliver its services and that it was aware and there was a programme of financial intervention in place to deliver the savings required.

The Committee then heard questions from Andrew Lee, and Nigel Behan who asked a number of questions with regard to general reserves, meeting liabilities, auditors concerns and why these were not raised previously, likelihood and impact of auditor issuing a 'statutory recommendation' and the outsourcing of the Learning Disability Service.

Information on the reserves was set out on p 174 of the report and there was regular review of the Learning Disability Service contract at the Scrutiny for Policies, Adults and Health Committee including an update at its September meeting.

Members also discussed risk register, financial decision making and a section 114 notice, details about reserves, reduction in overspend, and borrowing to invest, clarity of financial accounts and reports, contract with Discovery. Members were assured the council was not in the position of needing to issue a section 114 notice.

Following consideration of the reports, the Committee agreed by majority, to approve:

- The audited Statement of Accounts for 2017/18 (Appendix A);
- The Letter of Representation for 2017/18 (section 5.1 and Appendix B);
- The updated Annual Governance Statement as included within the Statement of Accounts (section 6)

### **Update on General Data Protection Regulations – Agenda item 7**

The Committee received information regarding the General Data Protection Regulation (GDPR) implementation programme. A vast amount of work was required and officers were working towards compliance. The authority needed to create and maintain an Information Asset Register listing the databases within the council that hold personal data. This was being built manually to help save costs.

The Committee noted the report.

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**Partial Audit update – Mental Health Emergency Assessments Care Plans – Agenda item 8**

An internal audit had been conducted on the outcome focused care plans produced by the Mental Health Social Care Service and this had resulted in a partial assurance. Since then the Committee was informed that there had been an improved approach to record keeping and care planning which included using the AIS system for recording care plans. A clear rationale had to be documented in cases where it was not possible for care and support plans to be completed and shared within 14 days of assessment. Reviews could now be monitored separately as a result of the use of the AIS system.

The Committee noted the report.

**Partial Audit update – New Operating Model Front Door – agenda item 9**

A review has been undertaken to assess the adequacy of the controls and procedures in place for the Adult Social Care new operating model front door processes at Somerset County Council. This had identified a number of areas where key risk were not well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.

The Committee were informed that the approach to calls about Adult Social Care had changed significantly and the aim was to resolve as many calls as possible at the first point of contact by offering a range of solutions with an emphasis on outcomes.

Of the 9 recommendations from the review, 5 had now been completed and the other four were on track to be completed by the end of September.

The committee noted the report.