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# AUDIT COMMITTEE SUMMARY OF DECISIONS

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**20 September 2018**  
(Published on 21 September 2018 )

Item No.	Title
3	Minutes from the meeting held on 26 July 2018
	The Committee then agreed that the minutes of the meeting held on 26 July 2018 were accurate, and the Chair signed them.
4	Public Question Time
	The Chair invited Mr Behan of the UNITE trade union to ask questions about agenda item 5. The 2 questions concerned the Council's negative earmarked reserves and the Interim Head of Finance answered. The responses would be provided in writing to Mr Behan and circulated to the Committee.
5	External Audit Report
	<p>The Committee considered an Audit Progress Report and Sector Update from external auditors Grant Thornton. The Committee was reminded that that the financial statements had received an unqualified opinion and the value for money conclusion had received an adverse opinion.</p> <p>The report also contained at Appendix A, general comments and feedback from the Council in response to the proposed Financial Resilience Index, and overall it was thought it would be of limited usefulness, being based on historical information. The SCC responses to the 6 individual indicators that were proposed were also noted.</p> <p>The report also contained the Annual Audit Letter which included a summary on the audit of the accounts and also the value for money conclusion. Members asked questions about reports from previous years, and also projected opinions based on looking forward to next year and the External Auditors responded to points raised.</p> <p>The Committee requested that an electronic copy of the audited Statement of Accounts for 2016/17 were circulated to Members of the Committee. The External Audit report was noted.</p>

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6	Annual Findings Report Tracker
	<p>The Committee considered this report that provided details on the progress made to implement the recommendations arising from the External Auditors Audit Findings report in July and it was noted that it was intended to provide assurance through updates at least quarterly.</p> <p>There was a discussion about Appendix 1 of the report which was the tracker document that provided details of the progress to date in relation to the 7 recommendations made by the External Auditors made last July.</p> <p>Members thought both the layout and content of the report was clear and concise and welcomed details that showed progress, albeit limited given the time frame, against the recommendations of the External Auditors.</p> <p>The report was accepted and the Committee requested that an update be provided at each future meeting.</p>
7	Risk Management Report
	<p>The Committee considered this report introduced by the Risk Manager, that provided details of the latest position of each of the identified strategic risks to the Council achieving its objectives.</p> <p>There was a discussion of the report, particularly Appendix 1, the Strategic Risk Report which listed 12 risks and the actions being taken to mitigate each. It was reported that ORG0043 'maintain a sustainable budget' remained the most critical risk to the Council.</p> <p>It was noted there was a focus to better understand the drivers of spend in Children's Services as it was reported that successful control of those budgets would underpin a balanced budget overall and the Interim Head of Finance explained measures being taken to achieve that aim.</p> <p>Members attention was also drawn to a heatmap which showed the latest distribution of the 12 identified risks and any changes since the last update report were indicated with a directional arrow.</p> <p>The Committee welcomed the report and the determination of Officers to ensure that focus was retained to ensure risks were robustly managed and monitored and so ensure the Council objectives were achieved. A Member requested a 'cash and savings flowchart' in respect of Dimensions/Discovery and the Interim Head of Finance undertook to provide this.</p>

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8	Internal Audit Update
	<p>The Committee considered this report, introduced by the Internal Auditors, that provided a thorough overview and general update of the progress made against the 2018/19 Audit Plan.</p> <p>It was noted that for a variety of reasons there had been some early slippage in delivering the Audit Plan as a number of Audits had been deferred. However Members sought and received reassurance this was being addressed by the Senior Leadership Team. Attention was drawn to 3 of the Audits completed since the last report that had received Partial findings and it was noted that progress made against those Audit findings would be reported to a future meeting.</p> <p>Attention turned to the summary of work plan that provided an overall summary of progress of the Audits and there was a question about the progress regarding the partial Audit of Section 106 agreements and the Strategic manager – Financial Governance advised that an update report would be prepared for the January 2019 meeting.</p> <p>There was a question about the Council’s proposed future borrowings and it was noted that this was a part of the overall MTFP review that was continuing to assess the Council’s overall financial position.</p> <p>The Committee accepted this report.</p>
9	Partial Audit Update - Payroll and IR35
	<p>The Committee considered this update report that provided progress made following a Partial Audit finding of Payroll Key Controls and IR35. The Audit had been undertaken to assess the adequacy of the key controls and procedures for Payroll at the Council and also review the administration of IR35 legislation (off payroll working rules).</p> <p>Members attention was drawn to the Audit findings and recommendations and the measures put in place to address the proposed outcomes. It was noted that all of the areas where actions had been recommended to bring about improvements, progress had been made.</p> <p>The Committee accepted the report.</p>
10	Partial Audit Update - Use of Part Time Timetables
	The Committee considered this update report that provided progress made

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	<p>following a Partial Audit finding of the application of a protocol for using Part Time Timetables in Somerset Schools. The Audit had been undertaken due to the seeming increasing use of part time timetables in Schools and the associated concerns in relation to safeguarding and compliance.</p> <p>Members attention was drawn to the Audit findings and recommendations and the measures put in place to address the proposed outcomes. It was noted that in each of the 7 areas where action had been recommended progress had been made to bring about improvements in implementing the protocol.</p> <p>The Committee accepted the report.</p>
11	<p>Partial Audit Update - Debtor Management</p>
	<p>The Committee considered this report that provided progress made following a Partial Audit finding in relation to Debtor Management. The report also provided information on the latest debt position and performance to help maintain effective financial control.</p> <p>It was reported, following a question at the June meeting about the use of Bailiffs, that the Council did use Bailiffs for some limited debt collection work but only rarely and in specific circumstances. The procedure to be undertaken for the use of Bailiffs was outlined, including the associated costs, and it was noted that there were 9 current cases where a Bailiff was being used to pursue a debt on behalf of the Council. Regarding the Audit report recommendations, it was noted that all of the areas where actions had been recommended to bring about improvements, were being progressed.</p> <p>Members attention turned to the report that provided details on the recovery of outstanding debts and it was reported that as at 31 August total net outstanding on the accounts receivable system stood at £6.812m, down from £9.813m at the same time last year.</p> <p>The report also provided information about the type of debt and also debtors by category, including payment days, and the actions being undertaken to ensure prompt collection. Members noted the increase in developer debt and asked the officers to consider liaison with Districts over such debtors.</p> <p>The Committee considered this report.</p>
12	<p>Committee Future Workplan</p>
	<p>The Committee noted the report that listed future agenda items and reports for the November 2018 and January 2019 meetings. It was further agreed that an update report on the Annual Audit Findings report tracker would be considered at</p>

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	<p>each meeting.</p> <p>Members also noted during a brief discussion that there were 2 Fraud investigations on-going. The work plan was accepted.</p>
13	Any other urgent items of business
	<p>The Chair, after ascertaining there were no other items of business, thanked all those present for attending and closed the meeting at 12:09.</p>