

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Tuesday, 29 May 2018 at 6.00pm in Meeting Room G3-G4, Addenbrooke House, Ironmasters Way, Telford

Present: Councillors R J Sloan (Chair), I T W Fletcher, A D McClements, C F Smith, W L Tomlinson and D G Wright

In Attendance: K Clarke (Assistant Director: Finance & Human Resources) (Until 6:35pm), T Drummond (Principal Auditor), P Harris (Finance Manager: Corporate & Capital) (until 6.35pm), R Montgomery (Audit & Governance Team Leader), J Power (Organisational Delivery & Development Manager) (For item AUC-06), E Rushton (Principal Accountant) (until 6.35pm), S Worthington (Democratic & Scrutiny Services Officer)

AUC 01 Apologies for Absence

Councillor K S Sahota.

AUC 02 Declarations of Interest

None.

AUC 03 Minutes

Resolved – that the minutes of the meeting of the Audit Committee held on 30 January 2018 be confirmed and signed by the Chairman.

AUC 04 REVIEW OF THE AUDIT COMMITTEE TERMS OF REFERENCE

The Committee received the updated Terms of Reference outlining the responsibility of the Committee on behalf of the Council to oversee the Council's audit, governance and financial processes. There were minor changes to the Terms of Reference from previous years, due to changes in personnel. The Committee requested that 5.D of the report be changed to 'Meet Privately with the external auditor at least once per year'

Recommended – that the Terms of Reference attached to the report at Appendix A be agreed, with the amendment that the committee 'meet privately with the external auditor at least once per year' and RECOMMEND its adoption by Council at its meeting in July 2018.

AUC 05 EXTERNAL AUDIT REPORTS

A letter had been provided by KPMG on audit progress. It was acknowledged that the planning and interim audit work had been completed in line with the timetable set

out in the detailed External Audit Plan, dated January 2018. The Committee noted that KPMG had not identified any significant issues.

The Fee Letter outlined Grant Thornton's to audit planning as set out in the Code of Audit Practice and Public Sector Audit Appointments Ltd.'s published work programme and fee scales. The planned audit and certification fees for 2018/19 had been presented.

AUC 06 REVIEW OF STRATEGIC RISK REGISTER

The Organisational Delivery & Development Manager provided an update to the Committee on the Strategic Risk Register. The approach to identifying risk had been reviewed and the updated strategy had been circulated to members.

Members noted the unknown impact of risks around Brexit, and it was acknowledged that the Register was updated at least twice per year. Members also commented on the identified risk around effective information governance.

Resolved that the Committee notes the strategic risks contained within Appendix A of the Report.

Jon Power left the meeting at 6.27pm.

AUC 07 DRAFT STATEMENT OF ACCOUNTS 2017/18

The Finance Manager: Corporate & Capital presented the draft Statement of Accounts to the Committee. It was noted that the deadline for the publication of accounts had been brought forward. In regards to the related party declarations, which had been raised as an issue by the external auditor in previous years, only 3 declarations remained outstanding, which was a significant improvement on previous years.

In response to a question, the Finance Manager advised that the majority of the format in the accounts was prescribed and there had been no major changes in the information required for inclusion.

Ken Clarke, Pauline Harris and Ed Rushton left the meeting at 6.35pm.

AUC 08 THE ANNUAL GOVERNANCE STATEMENT 2017/18 AND UPDATE LOCAL CODE OF GOOD GOVERNANCE

As required under the Accounts and Audit Regulations 2015, the Annual Governance Statement for 2017/18 had been produced. The statement included an action plan to ensure improvements to existing governance arrangements continued.

Resolved that –

- a) the Annual Governance Statement 2017/18, attached at Appendix A (including Annex 1) to the report be approved;**

b) the information in the report be noted.

**AUC 09 2017/18 INTERNAL AUDIT UPDATE REPORT INCLUDING
INTERNAL AUDIT PLAN 2018/19**

The Internal Audit report for the period of 1st January 2018 to 27th April 2018 was received by the Committee. It provided an update on the progress against the Internal Audit Plan, which included an update on the progress of the previous audit reports issued.

Two Red and four Amber Audit Reports had been issued in the time period. Three reports remained Amber from the previous reporting periods, follow ups and action plans were in place.

Members raised their significant concerns regarding the Audit of the Wireless Network and requested that the Service Delivery Manager attend the next Committee. Members also raised concern regarding the Deprivation of Liberty Safeguards (DOLS) Audit, and requested that a senior manager from this service area attend a future committee.

A discussion was held regarding the Audits for My Options Comfort Fund and Discharge from Hospital.

Resolved that the report be noted.

**AUC 10 INTERNAL AUDIT, INFORMATION GOVERNANCE & CALDICOTT
GUARDIAN ANNUAL REPORT 2017/18**

The Committee received the report which provided an annual internal audit opinion and report informing the governance statement and the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The annual report incorporated

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

The report also included annual information in respect to Information Rights legislation (Freedom of information and data protection requests) and security incidents including data breaches.

The report also included annual information from the Caldicott Guardian in respect to the activities of the Council and progress against the action plan.

In respect of Information Governance, the Audit & Governance Team Leader advised that the number of requests under the Freedom of Information Act 2000 had decreased by 15% in 2017/18, and of these requests 80% were responded to within the statutory deadline.

The number of data breach incidents had shown a slight decrease in 2017/18 from previous years. Members acknowledged that the new General Data Protection Regulations (GDPR) were in place and significant resources had been put in place to support staff to ensure the implementation of the regulations. Work had also been completed with the voluntary sector and other organisations around GDPR.

Resolved that-

- a) the Internal Audit, Information Governance & Caldicott Guardian Annual Report for 2017/18 be noted
- b) The 2018/19 IG Work Programme be approved

AUC 11 CORPORATE ANTI-FRAUD & CORRUPTION POLICY – 2017/18 ANNUAL REPORT AND POLICY UPDATE

The Committee received the report which included annual information in respect of the Corporate Anti-Fraud and Corruption activity for 2017/18 to enable monitoring of the policies operation. The report provided information for 2017/18 on counter fraud and investigation activities within the Investigation Team (Revenues), Internal Audit and Public Protection. The report also included the requirements of the Local Government Transparency Code on publication of data regarding fraud arrangements.

Resolved that –

- a) the 2017/18 Annual Report on Corporate Anti-Fraud and Corruption activity be noted; and
- b) the updated Corporate Anti-Fraud & Corruption policy be agreed and to RECOMMEND its adoption by Council.

AUC 12 OUTLINE OF BUSINESS 2018/19

The Committee noted the outline of business for future meetings. The Committee noted there was a need for an additional meeting of Audit Committee in October 2018.

The meeting ended at 7.42pm

Chairman:

Date: