

## **AUDIT COMMITTEE**

**TUESDAY, 4 APRIL 2017**

PRESENT:- Councillors Steve Weisinger (Chair), Nick Martin, Malcolm Davies, Mary Friend and Chris Watts.

### **44. Declarations of Interest**

The Chair reminded members of the need to declare known interests in any matters to be considered at the meeting. No declarations were made.

### **45. Public Question Time**

There were no public questions.

### **46. Minutes**

Resolved - That the minutes of the meeting held on 21<sup>st</sup> February 2017 be confirmed and signed.

### **47. Oversight of Council Subsidiaries and Partner Bodies**

The Committee considered a report of the Director of Law and Democratic Services summarising the various governance arrangements in place in relation to Council-owned companies and, in the absence of any overall oversight to ensure that risks are minimised and services are delivered as intended, or summary record of how individual partner arrangements are managed, seeking the Committee's agreement to the establishment of a Cabinet Member Advisory Group (CMAG) to consider how the Council's role as shareholder can best be exercised and a more consistent approach adopted.

In response to questions put by the External Audit representatives, the Director of Law and Democratic Services expanded on issues of accountability in relation to council-owned companies and the current governance arrangements in place for each of these.

Resolved – (1) That the report be noted.

(2) That the Leader of the Council or his nominee establish a Shareholder Panel to provide oversight of council owned companies.

(3) That the Panel initially operates as a Cabinet Member Advisory Group to the Leader of the Council, or his nominee.

(4) That the Director of Law and Democratic Services reviews the position and reports back to a future Audit Committee on how the Panel is operating and providing the necessary challenge, and whether a more formal governance structure is required to be put in place.

Summary financial results and, where available, audit report outcomes. To facilitate analysis

(5) That future reports to Committee on the operation of Council subsidiaries and partner bodies should include summary financial information and, where practicable, audit review outcomes.

### **48. Internal Audit report - Domestic Abuse Strategy**

In accordance with its established practice of considering at least one individual audit report at each meeting, the Committee received a report on the outcome and key findings of the Internal Audit Review of the review of the Swindon and Wiltshire Strategy to Reduce Domestic Abuse (and its supporting framework), to provide assurance to the Head of Housing and Community Safety regarding its robustness and effectiveness in reducing the prevalence of domestic abuse in Swindon. It was noted that the review, finalised in December 2016, had identified an “Of Concern” level of risk.

The Council’s Head of Housing and Community Safety was in attendance to provide a current position statement in relation to the implementation of the internal audit recommendations and also responded to members’ questions on issues raised regarding identified risk areas, the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – That the report be noted and that a further review be carried in six months’ time and the outcomes of that review be reported to the Committee.

#### **49. Internal Audit report - Transformation Programme**

In accordance with its established practice of considering at least one individual audit report at each meeting, the Committee received a report on the outcome and key findings of the Internal Audit Review of the Council’s Transformation, which report, finalised in November 2016, had identified an “Of Concern” level of risk.

The Council’s Head of Transformation was in attendance to provide a current position statement in relation to the implementation of the internal audit recommendations and also responded to members’ questions on issues raised regarding identified risk areas, the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – That the report be noted and that updates on the outstanding audit recommendations be made to the Committee as part of the two business transformation audits scheduled for the 2017/18 Municipal Year.

#### **50. Internal Audit Plan: 2017/18**

The Head of Internal Audit submitted a report setting out the draft Audit Annual Plan for 2017/18.

Resolved – That the draft Internal Audit Plan for 2017/18 be approved.

#### **51. Informing External Audit's Risk Assessment**

The Head of Internal Audit submitted report on the requirement for the External Auditor, as part of its audit of the Council’s financial statements, and in order to comply with the International Standards on Auditing (UK and Ireland), to make inquiries of both management and the Audit Committee as to their knowledge and understanding of the following areas:

- Fraud
- Laws and regulations
- Going concern

- Accounting estimates; and
- Related parties

The Committee was invited to consider whether the responses submitted by the Council's management, set out in Appendix 1 to the report, were consistent with its understanding and whether there were any additional comments members wished to make.

Resolved – That the management responses to the various questions put by the External Auditors in relation to the specific risk areas identified in the report be confirmed as being consistent with this Committee's understanding of the position.

## **52. External Audit**

Chris Hackett (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at 31<sup>st</sup> March 2017, in respect of the delivery of their audit responsibilities. The report also included a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report and supporting papers be noted.

## **53. Head of Internal Audit Update**

The Committee received a report of the Head of Internal Audit summarising the main issues arising from the Internal Audit reports finalised since the last Audit Committee meeting in February 2017, progress made against the Annual Internal Audit Plan 2016/17 and Internal Audit staffing and resource issues.

Resolved – (1) That the report be noted  
(2) That, in accordance with its established practice of considering at least one individual audit report at each meeting, the IT Training audit report be submitted to the next meeting.