

AUDIT COMMITTEE

WEDNESDAY, 13 SEPTEMBER 2017

PRESENT: - Councillors Steve Weisinger (Chair), John Ballman, Malcolm Davies, Nick Martin and Gary Sumner

Apologies for absence were received from Councillors Mary Friend, Des Moffatt and Kevin Small.

14. Declarations of Interest

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

15. Public Question Time

There were no public questions

16. Minutes

Resolved - That the minutes of the meeting held on 27th June 2017 be confirmed and signed.

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17. Risk Management - Education attainment

At its June 2017 meeting the Committee requested that the Head of Education provide an update on work being carried out to improve education attainment within Swindon (Minute 10 (3) refers).

In accordance with the Committee's instruction, Peter Nathan, the Council's Head of Education, attended the meeting and gave a presentation on the current issues/risks within the service area and what action is being taken to address these. The presentation touched upon the following topics:

- The number of primary and secondary schools that were academies
- The local authority's overall responsibility for education provision.
- Examples of the Council working closely and in partnership with academies to promote positive change
- The Swindon Challenge – a three year initiative which had recently been approved by Cabinet

Following his presentation, Members were given the opportunity to put questions to the officer. Issues raised included:

- The comparatively low percentage of pupils in Swindon who attend further education.
- Lydiard Park Academy taking on the management of Isambard School
- The cost to the Council in removing and placing difficult pupils.

Resolved – That the Head of Education be thanked for his useful and informative presentation and for his full and open responses to members' questions and

observations.

18. Annual Governance Statement

Further to Minute 10, the Committee received the Annual Governance Statement (AGS) 2016/17 for approval. The AGS is the formal statement that recognises, records and publishes an authority's governance arrangements. It was noted that the draft Statement had been approved by the Committee at its meeting on 27th June 2017 and that no additional items for inclusion in the statement had been identified at that meeting or subsequently.

Resolved – That the Annual Governance Statement, appended to the report, be approved for signing by the Leader of the Council and the Chief Executive in September 2017.

19. Annual Statement of Accounts

The Committee received a report introducing the Council's Annual Statement of Accounts for 2016/17 (attached to the report at Appendix 1). The Director of Finance, with the Finance Manager, Technical, presented the report and the key points on the Final Accounts, summarising the main items impacting on the financial statements for 2016/17 and highlighting the material audit adjustments that had been made.

Following their presentation of the report, the Director of Finance and the Finance Manager responded to members' specific queries and observations regarding the accounts.

Resolved – (1) That the report and the Annual Statement of Accounts 2016/17 (attached at Appendix 1 to the report), be approved.

(2) That the letter of representation provided in connection with the audit of the group financial statements of Swindon Borough Council and its subsidiary undertaking(s) as shown in Appendix 1 to the letter, for the year ended 31 March 2017, be approved.

(3) That the Director of Finance and the Council's Finance Manager, Technical, and his team, be thanked for their hard work and diligence in compiling the Annual Statement of Accounts.

20. External Audit - Audit Findings

The Committee received a report of the Council's External Auditors, Grant Thornton, highlighting the significant findings arising from their audit of the Council's financial statements for the year ended 31 March 2017.

Elizabeth Cave, Director, (Grant Thornton), introduced the report, taking the Committee through the key findings and responses in respect of matters and risks identified at the planning stage of the audit, additional matters that arose during the course of the work, and also the adjustments to the financial statements arising from the audit work and findings in respect of internal controls.

In particular, Ms Cave drew the Committee's attention to key messages arising from the value for money review which was that the Council's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions were satisfactory.

Ms Cave concluded her presentation by guiding members through the recommendations and proposed management responses set out in the Action Plan (attached to the report at Appendix A).

Resolved – (1) That the report be noted.

(2) That the External Auditors' opinion that for the year ended 31 March 2017 that the Council's financial statements:

(a) present a true and fair view of the financial position of the Authority and Group as at 31st March 2017 and of the Authority's and Group's expenditure and income for the year then ended; and

(b) have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law, be welcomed.

21. Internal Audit Charter

The Committee received a report of the Head of Internal Audit inviting members to review and approve the Council's Internal Audit Charter. It was noted that the Audit Charter was a requirement of the Public Sector Internal Audit Standards (PSIAS), which standards provided the mandatory guidance that constituted the principles of the fundamental requirements for the professional practice of internal auditing within the public sector and for the evaluation of the effectiveness of Internal Audit's performance.

Resolved – That the Internal Audit Charter, appended to the report, be approved

22. 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 in June 2017, the appointment of an External Auditor, progress made against the Annual Internal Audit Plan 2017/18 and Internal Audit staffing and resource issues.

Resolved – That the report be noted.