

## **AUDIT COMMITTEE**

**TUESDAY, 28 NOVEMBER 2017**

PRESENT:- Councillors Steve Weisinger (Chair), John Ballman, Malcolm Davies, Mary Friend, Nick Martin, Des Moffatt and Kevin Small

### **23. Declarations of Interest**

The Chair reminded members to declare any known interests in any matter to be considered. No such declarations were made.

### **24. Public Question Time**

There were no public questions.

### **25. Minutes**

Resolved - That the minutes of the meeting held on 13<sup>th</sup> September 2017 be confirmed and signed.

### **26. Mid Year Treasury Performance 2017/18**

The Committee received a joint report of the Cabinet Member for Finance and Commercialisation and the Corporate Director, Resources and Growth setting out the mid-year Treasury Management performance for 2017/18.

Resolved – That the mid-year Treasury Management performance as at the end of September 2017 be noted.

### **27. Corporate Risk Management Update**

The Committee received a summary report of risk management activity within the Council, including the most recently updated and reformatted Corporate Risk Register. It was noted that it was a function of the Audit Committee to provide independent assurance to the Council of the effectiveness of the Council's risk management, internal control and its overall assurance framework and that this report summarised the areas that the Committee might wish to consider in gathering this assurance.

The Director of Performance, Organisational Improvement and Communications and the Corporate Planning Lead, Resources introduced the report, providing an overview of the work done in support of the Council's Risk Management processes and to integrate and align with the Council's performance management arrangements and changes made to the corporate risk management process and the Corporate Risk Register following input from members of the Audit Committee.

The Corporate Planning Lead, Resources took members through the detail of the report, expanding on the main key risk areas identified in the Corporate Risk Register, attached to the report at Appendix 1, and the respective causes, impacts

and mitigating actions to reduce likelihood for each of the major identified risk areas.

Councillors Des Moffatt and Kevin Small asked a series of questions including: the weightings used before and after mitigation, the quality assurance on mitigation measures, the effect of uncertainty from the national political context on risk, and the impact of safeguarding issues. Officers responded at the meeting.

Councillor Moffatt undertook to send an email to officers concerning meetings with parishes, to which he had not been invited as chair, to discuss mitigating measures. The Chair requested that the email be included alongside the Minutes.

Resolved – (1) That the report be noted and that the risk management approach and processes and risks captured in the Corporate Risk Register be endorsed.

(2) That the adjustments to the corporate risk management process and changes to the Corporate Risk Register, as reflected in the revised report format and presentation, be also endorsed.

(3) That the officers be thanked for attending the meeting and for their full and open responses to members' questions and observations on matters relating to the Council's Corporate Risk Management Strategy and specific issues relating to the key risk areas identified in the Corporate Risk Register.

## **28. Internal Audit report: Performance and Risk**

The Committee received a report of the Head of Internal Audit on the key findings of the Internal Audit of the Council's performance and risk management framework. It was noted that the review had identified number of areas where there remained opportunities to develop processes and increase the Council's maturity in relation to performance and risk, including:

The regular integrated review of performance and risk at CMT and LAG level

The inconsistent culture and practice below CMT level in relation to using performance and risk information.

Although performance culture appears to be improving, as evidenced by the ongoing development of performance and risk scorecards for each of the Council's directorates, it was recognised that Heads of Service and Corporate Management Team needed to champion performance and risk management at a directorate and service level, to ensure required processes embed in the organisation and the benefit of performance and risk management is delivered.

The absence of standards or guidance to determine how performance and risk management should be applied to the Council's partnerships. Issues had been identified in relation to a lack of transparent reporting, or lack of KPIs to govern these.

As a result, the Internal audit review had found that the impact and materiality of Performance and Risk Management was considered high and that satisfactory arrangements are in place resulting in a moderate risk to the Council.

The Council's Corporate Planning Lead Officer was in attendance and provided the meeting with 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.

**29. External Audit: Annual Audit letter**

The Committee received the External Auditors' Annual Audit letter. It was noted that it was the intention that the Letter should communicate the key messages of the Audit Findings report, considered by the Committee at its last meeting, to the Council and to external stakeholders, including members of the public.

Elizabeth Cave, the External Auditors' Director for the Council, introduced the report, summarising the key findings arising from their work at the Council for the year ended 31 March 2017, as reported in detail to the last meeting of the Audit Committee in the Audit Findings report. Ms Cave made reference to the Council needing to continue to review its accounts processes and supporting documentation to enable it to meet the requirement to have its accounts audited and opinion issued by the earlier deadline next year of July 31<sup>st</sup>, as set out by the Government.

Resolved – (1) That the report be noted.

(2) That, following the Chair's announcement that this would be the last Audit Committee attended by Elizabeth Cave, this Committee records its appreciation for the work of Ms. Cave on behalf of Swindon Borough Council.

**30. External Audit: Progress and update**

Chris Hackett (Grant Thornton) presented a report advising the Committee of the External Auditors' progress, as at November 2017, in respect of the delivery of their audit responsibilities. .

The Update report also included a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the update report and the summary of key emerging national issues and developments be noted.

**31. 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 September 2017, progress made against the Annual Internal Audit Plan 2017/18 and Internal Audit staffing and resource issues.

Resolved – That the report be noted.