

AUDIT COMMITTEE

MONDAY, 23 JULY 2018

PRESENT:- Councillors Steve Weisinger (Chair), Des Moffatt, Roger Smith and Rahul Tarar

Apologies for absence were received from Councillor Nick Martin.

13. Declarations of Interest

The Chair reminded Members to declare any known interests in any of the matter to be discussed at the meeting.

Councillor Roger Smith declared a personal and non-prejudicial interest in respect of Item No. 6 'Corporate Risk Management Update' as he worked for a Company that was involved with Forward Swindon.

14. Public Question Time

There were no public questions

15. Minutes

Resolved - That the minutes of the meeting held on 5th June 2018, be confirmed and signed.

16. Internal Audit Review - Premises Management

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 Premises Management. It was noted that this audit emerged from a follow up review of Corporate Buildings Statutory Compliance and related to the management and performance of fire safety and legionella water quality risk assessments, including any follow-up actions required following assessments.

The Head of Internal Audit introduced the report, providing 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. He advised that a lack of assurance on the status of fire and legionella risk assessment actions for corporate buildings has resulted in an overall level of audit opinion being determined as 'fundamental weaknesses identified' resulting in a potential 'significant risk' to the Council.

Richard Kemp, Health and Safety Lead, gave a brief presentation on progress in implementing the action plan.

The Health and Safety Lead, the Head of Property Assets and the Head of Property Maintenance answered questions and responded to matters raised by the Chair and

Councillors Moffatt and Smith relating to the following issues:

- Assurance on legionella assessments
- The transfer of assets to Parishes
- The risk of legionella at Pembroke Gardens
- The frequency of inspections

Resolved – (1) That the report, and the management response to the audit review recommendations, be noted.

(2) That a follow-up audit on premises management be carried out in 9-12 months' time.

17. 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 Chief Executive 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.

The Chief Executive and the Corporate Planning Lead, Resources answered questions and responded to matters raised by the Chair and Councillor Tarar in relation to the following issues:

- The amount of housing and economic development taking place within the Borough in the next 2-3 years
- Open source software solutions to various IT issues

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 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.

18. Annual Governance statement

Further to Minute 10, the Committee received the Annual Governance Statement (AGS) 2017/18 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 5th June 2018 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.

19. Statement of Accounts

The Committee received a report introducing the Council's Annual Statement of Accounts for 2017/18 (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 2017/18 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. Members also confirmed that the letter of representation could be signed and provided to Grant Thornton.

Resolved – (1) That the report and the Annual Statement of Accounts 2017/18 (attached at Appendix 1 to the report), be approved.

(2) 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 2018.

Barrie Morris, (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 findings in respect of internal controls, whilst Anna McWilliam (Grant Thornton) presented the adjustments to the financial statements arising from the audit work.

In particular, Mr Morris 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.

Mr Morris concluded the 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 2018 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 7 and applicable law, be welcomed.

21.

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 June 2018, progress made against the Annual Internal Audit Plan 2018/19 and Internal Audit staffing and resource issues.

Resolved – That the report be noted.