

## **AUDIT COMMITTEE**

**TUESDAY, 27 NOVEMBER 2018**

**PRESENT:-** Councillors Steve Weisinger (Chair), Kevin Small, Roger Smith, Rahul Tarar and Brian Mattock

Apologies for absence were received from Councillors John Ballman, Nick Martin (Vice-Chair) and Des Moffatt.

### **31. Declarations of Interest**

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

### **32. Public Question Time**

No public questions were received during the meeting.

### **33. Minutes**

Resolved - That the minutes of the meeting held on 25<sup>th</sup> September 2018 be confirmed and signed.

### **34. Corporate Risk Register: IT Governance and Security**

In furtherance of its specific function in relation to the review of the Council's risk management, the Committee considered a presentation by the Council's Director of Digital Services and Corporate Programmes on the current issues/risks within the areas of IT Governance and Security, and on progress in respect of mitigating actions being taken to address these.

The Director, in his presentation, placed the Council's current IT Governance and Security arrangements in the context of the reasons behind the Council's decision, in 2015, to withdraw from its, then, outsourced provision and bring the service in-house, the Council's determination of the principles that should support its information governance expectations and aspirations going forward, and the particular organisational, technical and practical measures that were being taken, and were proposed to be taken, to ensure the support service is both fit for purpose and sustainable.

Copies of the slides that accompanied the Director's presentation are published alongside the agenda on the Council's website.

Following his presentation, the Director responded to questions put by members regarding the following matters:

- The prioritisation and action programme for the resolution of outstanding IT Governance issues. (SW)
- Applicable timeframes for the storage of different data sources and available options for the reduction of volumes of archived material. (RS)

- Corporate document records management solutions, including possible digital scanning solutions. (RT)
- Cyber security warning systems. (KS)
- Call response times for the IT support service and communications around system failures. (KS)
- Savings achieved by the Council in relation to its mobile phone usage. (KS)
- Capital investment in IT services. (KS)
- The auditing arrangements in respect of the Council's IT Governance and Security. (BM)

Resolved – That the Director of Digital Services and Corporate Programmes be thanked for his attendance at this evening's meeting and for his comprehensive and informative report on the current issues/risks within the areas of IT Governance and Security, and on the Council's progress in respect of mitigating actions being taken to address these.

### **35. Mid-Year Treasury Performance 2018/19**

The Director of Finance submitted a report setting out the Council's mid-year Treasury Management performance for 2018/19. The Committee noted that the CIPFA Treasury Code of Practice recommends that Treasury Management performance is reported to members at least twice a year.

Resolved – That the mid-year Treasury Management performance be noted.

### **36. Internal Audit report - Treasury Management**

The Head of Internal Audit submitted a report on the key findings of the Annual Internal Audit of the Council's Treasury Management process. It was noted that the audit had found the internal control arrangements to be of a high standard resulting in only a moderate risk to the Council.

Resolved – That the report be noted.

### **37. External Audit - Audit Progress Report and Sector Update**

Mr Steven Johnson (Audit Manager Grant Thornton) presented an Audit Progress Report from the Council's External Auditors for the Council for the Year ending 31<sup>st</sup> March 2019, to the period ending 12<sup>th</sup> November 2018. The report also included a sector update, providing a summary of emerging national issues and developments relevant to local authorities.

The Committee noted that whilst the 2018/19 financial audit was still in the planning stage, it was anticipated that the audit plan, summarising the intended approach to the key risks in the plan, would be presented to the meeting of the Audit Committee on 5<sup>th</sup> February 2019 and that any findings from the interim audit would be reported to the 20<sup>th</sup> March 2019 meeting.

Mr Johnson also provided the Committee with a brief summary of issues around the status of audit deliverables

Resolved – That the report be noted.

**38.**

### **Audit Committee: Independent Members**

Further to Minute 25, and the Committee's decision to adopt a revised set of terms of reference to reflect new guidance and best practice, the Head of Internal Audit submitted a report responding to members' request for additional information regarding the benefits and possible drawbacks of appointing an independent member. The report also responded to members' request for additional information regarding what other councils were doing in relation to the appointment of independent members to Audit Committees.

Resolved – That no action be taken to appoint Independent members to the Council's Audit Committee but that this position be reviewed annually by the Committee.

**39.**

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

Resolved – (1) That this Committee commends the excellent work being carried out by the Corporate Fraud Team in respect of its work identifying instances of Council Tax Single Person Discount Fraud, Housing Related Fraud and Housing Benefit Fraud and notes that the total nominal and actual savings to date identified by the Team amounts to £664,049.66.

(2) That the Head of Audit be requested to submit a report to the next meeting on the outcomes of the Internal Audit Review in respect of absence management.