

## **AUDIT COMMITTEE**

**MONDAY, 8 APRIL 2013**

**PRESENT:-** Councillors Michael Dickinson (Chair), Des Moffatt (Vice-Chair), Steve Allsopp, Brian Ford, Mary Friend, Neil Heavens and Nick Martin

### **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.

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

No questions were asked under Standing Order 28.

### **33. Minutes**

Resolved - That the minutes of the meeting held on 20<sup>th</sup> November 2012 be confirmed and signed.

### **34. Capital Programme and Treasury Strategy Statement 2013/14**

The Committee received a report of the Board Director, Finance, Revenues, Benefits and Property, setting out the new capital programme requirements for 2013/14, the Treasury Management Strategy for 2013/14, including Prudential Indicators up to 2015/16, the Annual Investment Strategy, and the Minimum Revenue Provision Policy Statement.

Resolved – That the report be noted and that the Treasury Management Strategy, Minimum Revenue Provision Policy and Prudential Indicators be accepted.

### **35. Annual Statement of Accounts 2012/13**

The Committee, in its capacity as the designated body for approval of the Council's final accounts, received a report providing members with an update on the progress towards the completion of the 2012/13 statement of accounts.

Resolved – that the report be noted.

### **36. Adult Care Change Programme and Risk**

The Committee received a report of the Board Director, Commissioning, on the Strategy and Implementation Plan to address the rising demand for services for vulnerable adults and also the identified risks in implementation of the Plan.

Sue Wald, the Council's Head of Commissioning, Children and Adults, presented the report, summarising the background to the development of the Programme and taking members through its key objectives, set against the backdrop of reduced financial resources and a rising demand for adult services, and the desired outcomes and how these will be measured and delivered. It was recognised that Swindon continued to face considerable challenges in continuing to improve the

lives of people locally with diminishing resources, particularly people who are vulnerable because of a disability, long term health condition, mental illness and older age. In response to this on-going situation, the Demand Enquiry programme had been established across all partners working with adults and communities in Swindon to develop an understanding of the problems and ways to address these.

Following her presentation of the report, the Head of Commissioning responded to members' questions on the following issues:

- community involvement in the advancement of the adult care change programme, data protection and CRB checks
- the borough's population forecasts and the impact on the programme of any significant deviations in the projections
- the mitigation of the adults programme key risks
- the predication of the care economy on a low paid workforce and the potential risk for the development of a staffing "resource gap" in some of the care services following economic recovery and the drift to higher paid employment
- the role of ward members and localities in encouraging voluntary and community participation in the adults change programme
- the location of care facilities and sheltered accommodation provision in the northern sector
- the programme's workforce development work stream and project management

Resolved – That the report be noted and that the Head of Commissioning, Children and Adults, be thanked for attending the meeting and for her comprehensive and informative presentation of the detail of the Adult Care Change Programme.

### **37. Internal Audit reports identifying 'significant' risk or 'of concern': Housing Tenancy: anti-fraud and corruption controls**

The Committee received a report on the latest position regarding the implementation of Internal Audit recommendations arising from the audit review of the Council's anti-fraud and corruption controls regarding Housing Tenancy. It was noted that the overall risk assessment to the Council following the initial audit was considered "significant". A follow up review had been carried out by Internal Audit that had found an improved situation, although officers were still working towards implementing a number of audit recommendations.

The Council's Head of Housing Services and its Tenancy Support Manager - Enforcement were in attendance to provide a current position statement and to respond to members' questions on issues raised by the follow-up review, the management response to the audit conclusions and key recommendations, and progress in implementing the action plans.

Resolved – That the report be noted and that the open and honest approach of the Council's Housing Services in both accepting and responding to the Internal Audit assessment of its tenancy anti-fraud and corruption controls be commended.

### **38. External Audit - Fee Letter**

Peter Smith, representing Grant Thornton, the Council's recently appointed external auditors, presented to the Committee the details of the audit fee for the Council and

the scope and timing of the proposed work programme. It was noted that the fee was based on the risk based approach to audit planning, as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2012/13, and covered:

- the audit of the Council's financial statements
- work to reach a conclusion on the economy, efficiency and effectiveness of the Council's use of resources; and
- work on the Council's whole of government accounts return.

Mr Smith also provided the Committee with the name and contact details of the key members of Grant Thornton's audit team supporting the Council.

Resolved – (1) That the detail of the audit fee for the Council and the scope and timing of the proposed work programme be noted.

(2) That members of the Audit Committee be advised of the details of the local authorities comprising the Council's comparator "family group".

### **39. External Audit - Progress Report**

Mr Peter Smith (Grant Thornton) presented a report advising the Committee of the external auditors' progress in respect of the delivery of its audit responsibilities, including a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report be noted.

### **40. Internal Audit Plan: 2013/14**

The Head of Internal Audit submitted a report setting out the draft Audit Annual Plan for 2013/14.

Resolved – That the draft Internal Audit Plan for 2013/14 be approved.

### **41. 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 November 2012 and progress made against the Annual Internal Audit Plan. The report also invited members to consider the process for the preparation of the Annual Governance Statement and to recommend any changes they felt were necessary, including the possible expansion of the questionnaire submitted for completion by Board Directors as an element of the review process.

Resolved – (1) That the report be noted.

(2) That the following finalised audit reports, categorised as having risk evaluations of "of concern" and "significant" respectively, be submitted to the next meeting of the Committee for more detailed consideration:

Engagement of consultants

Contract Final Accounts

(3) That the Annual Governance Statement framework (appended to the report) be approved, subject to the enhancement of the Board Directors' Assurance Statement questionnaire in line with members' comments.