

## **AUDIT COMMITTEE**

### **Minutes of a meeting of the Audit Committee held on Thursday, 30 May 2019 at 6.00 pm in Meeting Rooms G1 /G2, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

**Present:** Councillors P Watling (Chair), C F Smith (Vice-Chair), N A M England, V J Holt, A Lawrence, K S Sahota and W L Tomlinson

**In Attendance:** J Eatough (Assistant Director: Governance, Procurement & Commissioning), P Harris (Finance Manager: Corporate & Capital), E Rushton (Group Accountant), R Montgomery (Audit & Governance Team Leader), T Drummond (Principal Auditor)

**Also In Attendance:** E J Mayne (Grant Thornton, External Auditors)

#### **AU1 Apologies for Absence**

None.

#### **AU2 Declarations of Interest**

None.

#### **AU3 Minutes of the Previous Meeting**

**RESOLVED** – that the minutes of the meeting of the Audit Committee held on 29 January 2019 be confirmed and signed by the Chairman.

#### **AU4 Review of the Audit Committee Terms of Reference**

The Committee received the updated Terms of Reference outlining the responsibility of the Committee on behalf of the Council to oversee the Council's audit, governance and financial processes. There were no changes from previous years to note.

**Recommended** – that the Terms of Reference attached to the report at Appendix A be agreed and RECOMMEND its adoption by Council at its meeting in May 2019.

#### **AU5 External Audit Interim Report 2018/19**

E Mayne, Grant Thornton, presented the External Audit Plan for the Year ending 31 March 2019. Members were advised on the significant risks to the Council which were areas where there would be greater focus and scrutiny. Members were advised that the audit would begin on 10 June.

**RESOLVED** – to note the content of the report.

**AU6      External Audit Fee Letter and Plan for 2019/20**

E Mayne, Grant Thornton, presented the Fee Letter which outlined Grant Thornton's audit planning as set out in the Code of Audit Practice and Public Sector Audit Appointments Ltd.'s published work programme and fee scales.

**RESOLVED – to note the content of the report.**

**AU7      External Audit Progress Report and Update**

E Mayne, Grant Thornton, presented the Audit Progress Report. The positive working relationship between the external auditors and the Council's finance team was noted, and a lot of work had taken place including some testing during the interim audit in March.

Members praised the inclusion of the sector update information contained within the report, which was described as useful and informative.

**RESOLVED – to note the content of the report.**

**AU8      The Annual Governance Statement 2018/19**

As required under the Accounts and Audit Regulations 2015, the Annual Governance Statement for 2018/19 had been produced. The statement included an action plan to ensure improvements to existing governance arrangements continued.

**Resolved that –**

- a) **the Annual Governance Statement 2018/19, attached at Appendix A (including Annex 1) to the report be approved;**
- b) **the information in the report be noted.**

**AU9      Draft Statement of Accounts 2018/19**

The Finance Manager: Corporate & Capital presented the draft Statement of Accounts to the Committee. It was noted that the deadline for the publication of accounts had been brought forward last year. It was noted that the 30 day public consultation period would begin the following day.

A query was raised in respect of the amount of Dedicated Schools Grant included in the gross to net figures and a discussion was held in respect of single status and the number of public queries raised in relation to the accounts.

**AU10      2018/19 Internal Audit Annual Update Report including the Audit Committee Annual Report and 2019/20 Internal Audit Plan**

The Committee received the internal audit annual report and the internal audit plan for 2019/20. Members were advised that in 2018/19, fewer reports were issued as the team had focused on longer, more complex audits and had moved away from smaller audits. The Audit and Governance Team Leader undertook random checks on audit reports to ensure compliance with audit standards. Positive customer feedback from audit reports remained high.

Members received the audit plan for 2019/20 and noted the contingency included for unplanned work. Members were advised that the Committee would be updated on any changes to the plan and a six monthly progress report would be issued.

The report also included a summary of Audit Committee actions in 2018/19.

**RESOLVED – that:**

- a) **The Internal Audit Annual Report for 2018/19 be noted;**
- b) **The operation of the Audit Committee for 2018/19 be noted; AND**
- c) **The Internal Audit Plan for 2019/20, attached as Appendix 3 to the report, be approved.**

**AU11      Update Report on the work of Internal Audit**

The incorrect report was provided to committee members, therefore the Principal Auditor gave a verbal update on the work of internal audit between the periods 5/1/19-30/4/19. Members were advised that the report would be shared with them and any questions could be raised prior to the next Audit Committee meeting. The report would then be re-presented at the next Audit Committee meeting.

**AU12      2018/19 Annual Information Governance and Caldicott Guardian Report and 2019/20 Information Governance Work Programme**

The Committee received the report which provided the annual information in respect to Information Rights legislation (Freedom of Information, Environmental Information Regulations and Data Protection acts) and security incidents.

The report also included annual information from the Caldicott Guardian in respect to the activities of the Council and progress against the action plan.

In respect to data security incidents, in 2018/19, there had been two data breaches which met the criteria for reporting to the Information Commissioners Office (ICO), the ICO decided in both cases that the cause was human error and no further action was required.

Members noted that almost twice the number of Subject Access Requests had been received in 2018/19 than in the previous year, possibly due to increased publicity following the introduction of the new GDPR.

In response to a question, it was confirmed that the Council received similar number of FOIs in comparison with other Councils.

**Resolved that-**

- a) the Internal Audit, Information Governance & Caldicott Guardian Annual Report for 2018/19 be noted**
- b) The 2019/20 IG Work Programme be approved**

**AU13      2018/19 Anti-Fraud & Corruption Annual Report and updated policy 2019/20**

The Committee received the report which included annual information in respect of the Corporate Anti-Fraud and Corruption activity for 2018/19 to enable monitoring of the policies operation. The report provided information for 2018/19 on counter fraud and investigation activities within the Investigation Team, Internal Audit and Public Protection. The report also included the requirements of the Local Government Transparency Code on publication of data regarding fraud arrangements.

A discussion was held in respect of adult social care fraud and clarification that this was financial abuse of a person, and that each case involved a vulnerable person.

In response to a question, it was confirmed that the savings were comparable with previous years.

**Resolved that –**

- a) the 2018/19 Annual Report on Corporate Anti-Fraud and Corruption activity be noted; and**
- b) the updated Corporate Anti-Fraud & Corruption policy, attached as appendix 1 to the report, be agreed and to RECOMMEND its adoption by Council.**

**AU14      Outline of Audit Committee Business for 2019/20**

The Committee noted the outline of business for future meetings. The Committee noted that the January meeting may change.

The meeting ended at 6.55 pm

**Chairman:** .....

**Date:** Tuesday, 23 July 2019