

Audit Committee

Wednesday, 10th January, 2018
6.00 - 7.00 pm

Attendees	
Councillors:	Colin Hay (Chair), Steve Harvey (Vice-Chair), Matt Babbage, John Payne, Jon Walklett and David Willingham
Also in attendance:	Lucy Cater (SWAP), Sarah Didcote (Deputy Section 151 Officer), Alex Lawson (Project Manager), Sophie Morgan (Grant Thornton), Barrie Morris (Grant Thornton), Mark Sheldon (Director of Corporate Resources) and Shirin Wotherspoon (One Legal)

Minutes

1. APOLOGIES

No apologies had been received.

The Chairman asked that the vice chair take the chair for a few moments.

2. DECLARATIONS OF INTEREST

No interests were declared.

3. MINUTES OF THE LAST MEETING

The minutes of the last meeting had been circulated with the agenda.

Upon a vote it was unanimously

RESOLVED that the minutes of the meeting held on the 20 September 2017, be agreed and signed as an accurate record.

4. PUBLIC AND MEMBER QUESTIONS

None had been received.

5. GDPR PROGRESS UPDATE

Mark Sheldon, the Director Corporate Resources, introduced the GDPR progress update. He explained that this was being approached as a corporate project as it represented a significant piece of work for the organisation and had far reaching implications. The results of the audit work undertaken by SWAP were currently under review and the project team had met earlier in the day to discuss a number of options relating to the Data Protection Officer role, though no decisions had been made. He took the opportunity to remind members that a GDPR seminar had been arranged for 6pm on the 30 January and stressed the importance of having as many members attend as possible, given that the new Regulation would also have implications for members.

In relation to paragraph 4.3 and the requirement for members to register with the Information Commissioner, a member encouraged the council to consider administering and paying the fee on members' behalf, as he felt that it would reflect badly on the council if any members did not register.

Other members disagreed. The requirement to register with the Information Commissioner had been made clear to them following their election and members should use their allowance to cover the fee (currently £35 per year but to increase to £55). Another member felt that individual members should take responsibility and a more active role.

The following responses were given to member questions:

- A number of Officers had already been fully trained, mostly Service Managers who had undertaken the information audit. The 'all officer training' which would take place between 1 March and 27 April related to all other officers.
- The council were considering an option for mass registration with the Information Commissioner on behalf of all members, but stressed that this was only one of a number of options being explored.
- One Legal commented that the Regulation simply required the council to more clearly define its powers for sharing and have more detailed Data Processing Agreements with partners and as such, had no concerns that the Regulation would restrict data sharing with partners.
- All members were being urged to attend the member seminar on the 30 January, though the project did intend to arrange some form of mop-up session(s) for any members that absolutely could not attend the 30th.

There were no further questions and no decision was required.

6. ANNUAL AUDIT LETTER

Barrie Morris of Grant Thornton, introduced himself to the committee as the new Engagement Lead, having replaced Peter Barber.

Sophie Morgan then introduced the Annual Audit Letter 2016-17, as circulated with the agenda. The letter summarised key findings from the work that had been undertaken for the year ended 31 March 2017, which members would be familiar with having discussed these findings in detail at the last meeting. This summary set out the role of Grant Thornton as external auditors, the main findings of the work that had been undertaken and concluded at Appendix A, which confirmed the final fees for the year. She noted that work to certify the Council's Housing Benefit subsidy claim was complete but a fee variation was yet to be confirmed, and as such, the actual fee had not yet been included.

Sophie also took the opportunity to thank officers for their support over the last year.

There were no questions and no decision was required.

7. CERTIFICATION OF GRANTS AND RETURNS

Sophie Morgan introduced the Certification of Grants and Returns, which had been circulated separately to the agenda, having not been issued until the 4

January 2018. A number of issues were identified, some of which had recurred from 2015-16, and these findings were summarised on pages 2 and 3 of the letter. It was noted that due to the additional work required to address the issues that had been identified, Grant Thornton were seeking a fee variation which would be confirmed by Officers and was subject to confirmation from the PSAA.

In response to a member question Sophie noted to members that the errors that had been identified were a result of human error rather than system failures, namely miscalculations. Officers had been informed at the time that the issues had been identified, with the recommendation that spot-checks should be undertaken. Barrie Morris noted that issues were often identified in relation to Housing Benefit claims and often, many more than had been identified at this authority.

The Deputy Section 151 Officer commented that she and colleagues had been pleased with the result of the work undertaken by Grant Thornton.

No decision was required but the committee noted that the final fee would increase.

8. AUDIT COMMITTEE UPDATE

Barrie Morris of Grant Thornton introduced the Audit Committee update, which summarised progress as at December 2017. The document outlined the 2017-18 deliverables and the associated status. The update also detailed technical updates which members might find useful and included information on forthcoming provisions, particularly IFRS 9 (Financial Instruments) which could have a material impact on the way in which the council classified financial assets, namely as 'expected loss' rather than the 'incurred loss'.

There were no questions and no decision was required.

9. INTERNAL AUDIT MONITORING REPORT

Lucy Cater, Assistant Director of SWAP, introduced the Internal Audit Monitoring Report. The Monitoring Report, which was written at a point in time, highlighted the work that had been completed by Internal Audit, providing comment and assurances on the control environment, as well as providing an update in relation to the status of items on the Audit Plan 2017-18. She noted that:

- With agreement from the Section 151 Officer, the 'Device Strategy' had been dropped as ICT support had not been forthcoming despite numerous requests.
- The Ubico Monitoring and Recyclates report has been drafted and discussed with officers, work was now being undertaken on a revised draft to be issued.
- The H&S report had been finalised and would be tabled for consideration by the committee at their next meeting.
- There were no control issues to report at this time.

In response to a member question the Assistant Director advised that at this time she was confident the team could deliver everything on the Audit Plan 2017-18 by April 2018, though it was noted that Officer responses to requests

for information was not always as timely as it could be. She assured members that as part of SWAP, it was possible for her to call upon additional resource if required.

No decision was required.

10. ANNUAL GOVERNANCE STATEMENT - SIGNIFICANT ISSUES ACTION PLAN

Lucy Cater, Assistant Director of SWAP, introduced the significant issues action plan as circulated with the agenda. She explained that the Annual Governance Statement had been approved at the previous meeting of the committee and five areas of concern had been identified, all of which had been added to an action plan. She provided a brief summary of the progress (to date) that had been made on each of the five areas:

Contract Management – compliance matters: a follow-up review was currently being finalised.

Records maintenance – safeguarding training: a follow-up review had commenced.

Health and Safety processes – personal security: all recommendations had been implemented except for that relating to the updating and publishing of policies. This had been delayed due to the launch of Publica and was planned for completion by February 2018.

Publica – governance: once the review of policies and procedures had been finalised, SWAP would review any elements specific to the council. A review of benefits rationalisation would be undertaken in 2017-18.

GDPR: SWAP reviewed the progress of implementation and offered their observations. A further internal audit would be undertaken in April 2018.

In response to a member question the Assistant Director confirmed that the Council had a Lone Working policy which was overseen by the Health and Safety Team which formed part of the shared service. She went on to confirm that SWAP undertook audits across all partner organisations, sharing findings with each partner and that testing compliance with any policies formed part of any review.

A member raised concerns about how the council ensured member and officer safety at public meetings. This would be raised with the Chief Executive and her response would be shared with the committee.

A member felt that members undertook a large amount of lone working and felt that training should be arranged to promote ways in which members could protect themselves. This would be raised with Mark Lane, Head of Health and Safety and any related information would be shared with members.

There were no further questions and no decision was required.

11. WORK PROGRAMME

The work programme had been circulated with the agenda.

Officers asked that the March meeting be deferred until April, which would allow them to finalise the Code of Corporate Governance after the close-down of the accounts. Members were happy with this proposal and the Democracy Officer would look at dates w/c 16 April and contact officers and members as necessary.

12. ANY OTHER ITEM THE CHAIRMAN DETERMINES TO BE URGENT AND REQUIRES A DECISION

There were no urgent items requiring a decision.

13. DATE OF NEXT MEETING

The date for this meeting was under review and the website would be updated accordingly.

Colin Hay
Chairman

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