

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 27 August 2019 at 5.30 pm

Present

Councillors

R Evans (Chairman)
Mrs C Collis, B A Moore, D F Pugsley,
A Wilce, J Wright and A Wyer

Also Present

Councillor

R M Deed

Also Present

Officers

Catherine Yandle (Group Manager for Performance, Governance and Data Security), Joanne Nacey (Group Manager for Finance), David Curnow (Deputy Head of Devon Audit Partnership) and Sarah Lees (Member Services Officer)

Also in

Attendance

Andrew Davies (Grant Thornton)

23. APOLOGIES

There were no apologies for absence.

24. DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

No interests were declared under this item.

25. PUBLIC QUESTION TIME

There were no members of the public present.

26. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had the following announcements to make:

1. The timing of special meeting to sign off the annual accounts had not been practical for the new membership of the committee this year. He therefore proposed that the start time for future meetings of the special meeting in July each year be 5.30pm. This was **AGREED**.
2. 'Risk' in association to Climate Change would be monitored by all the Policy Development Groups going forwards. The Audit Committee would take its lead from them. Any issues would be brought forward through the Corporate Risk report presented to the Audit Committee at each meeting and the Committee had the facility to consider Climate Change risks in detail should it choose to.
3. He had had a pre-meet with the Deputy Head of the Devon Audit Partnership and they had discussed the need for the Audit Committee to reconsider the CiPFA Self Assessment exercise that the Committee had undertaken last

year. Given that there was now a new membership of the Committee it was considered good practice to revisit this assessment at the next meeting. It was agreed that the Clerk would circulate the necessary documents by email following this meeting together with the results from the last exercise so that the new membership had a chance to consider this before discussing the issue in depth as an agenda item for the next meeting. This was **AGREED**.

27. MINUTES OF THE PREVIOUS MEETING (00:04:35)

The minutes of the meeting held on 15 July 2019 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

28. PERFORMANCE & RISK (00:05:14)

The Committee had before it, and **NOTED**, a report * from the Director of Corporate Affairs & Business Transformation providing it with an update on performance against the Corporate Plan and local service targets for 2019-20 as well as providing an update on the key business risks.

It was explained that this report had been to all four Policy Development Groups as well as the Cabinet and there had been no issues of concern raised.

Discussion took place with regard to:

- Whether there was any information available regarding not only the Council's capital programme with regard to carbon footprint issues but also its operational aspects. The Committee also asked whether there was any feedback available regarding the Devon County Council meeting on 23 July 2019 and its work towards establishing Devon-wide definitions. It was explained that there had been some progress but that a formal update had missed this round of PDG's. It was expected that an update would be provided for the next round of meetings.
- The Private Sector Housing Team were congratulated for exceeding the target in relation to bringing the number of empty homes back into use.
- The Council's responsibility in relation to the provision of Affordable Homes was very complex matter, involving Section 106 monies and responsibilities upon developers. However, there was a Community Led Housing Fund available and enquiries should be made through the Housing Options Manager for more information in addition to the Cabinet Member for Planning and Economic Regeneration. The Chairman confirmed that he had been successful in bringing a Motion to Council such that Ward Members were now consulted if a planning application had been passed and the developers were ready to proceed. This would mean that Ward Members could contribute to negotiations regarding Affordable Housing.
- Freedom of Information (FOI) requests and whether the Audit Committee could monitor the number of decision notices issued and whether any FOI's had been refused in more detail. It was explained that this information was already reported on the website but that additional information could be included in the risk report to the Audit Committee in future. This was **AGREED**.
- Once more was known about the Devon wide targets in relation to Climate Change this would be communicated to all Members.

- The number of Affordable Homes delivered for the current quarter was just below target.
- It was **AGREED** that the Audit Committee ought to have sight of the Performance and Risk information in relation to Leisure Services going forwards accepting that this part of future reports would need to be in Part II given the commercially sensitive nature of the data.
- Review notes in relation to the Corporate Risk Register were still missing in some areas and there was an increasing instance of this. It was explained that the column in relation to 'Mitigating Actions' now contained much of the information that would previously have been included in the review note. The Chairman commented that this was not clear to the Committee and that in future there needed to be a comment along the lines of 'See mitigating actions' in the review note or something to indicate that action was being taken. The Committee did not want to receive the report with missing information in the future given that it had brought this issue to light on several previous occasions.

Note: * Report previously circulated; copy attached to the signed minutes.

29. **PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT AND ACTION PLAN (00:32:32)**

The Committee had before it, and **NOTED**, a report * from the Group Manager for Performance, Governance and Data Security providing it with an update on progress made against the Annual Governance Statement 2018/19 Action Plan.

The contents of the report were outlined with particular reference to the fact that 8 issues had been identified but none had been due for completion at this point.

Note: * Report previously circulated; copy attached to the signed minutes.

30. **INTERNAL AUDIT PROGRESS REPORT (00:35:08)**

The Committee had before it, and **NOTED**, a report * from the Head of the Audit Partnership reviewing the progress and performance of Internal Audit.

It was highlighted that overall, based on the work performed during the 2019/20 financial year so far it was the opinion of the Head of Internal Audit that the adequacy and effectiveness of the authority's internal control framework continued to be one of "Substantial Assurance". It was confirmed that the work programme for the year had started, albeit slowly due to annual leave but that a great deal of work was scheduled for the remainder of the year.

A brief summary was provided in relation to the reviews that had been undertaken since the last meeting with reference to:

- Private Sector Housing – whilst the overall audit opinion was one of a 'Good Standard' further system development was required to improve efficiency and strengthen the assurance of the control framework with regard to the use of the 'Better Care Fund' and 'Houses in Multiple Occupation'.
- In relation to the 'Housing Health and Safety' and 'Service Transition' audits some improvements had been identified and necessary action plans agreed.

Discussion took place regarding:

- The audit in relation to 'Community Engagement' had identified that there were further opportunities to increase customer engagement through a 'Champion' and that there should be greater use of 'plain English' in all consultation exercises. The Committee expressed concerns that often those that 'shouted loudest' were listened to most whilst their opinions may not be truly reflective of the wider population. The Committee felt that all consultation exercises should be truly reflective of the whole district where possible rather than just reflecting what a small minority thought. It was explained that engaging with those that did not want to come forward with a view was a difficult exercise and significant time and effort would be needed to consider how this could be achieved. However, it was felt that, wherever possible, every effort should be made to engage across the wider community as Members had a duty to represent a broad section of the community and not get distracted by a minority view. Whilst it was recognised that instigating a 'Champion' to increase customer engagement would take a great deal of resource, the Audit Committee **AGREED** that officers should be encouraged to implement this in relevant service areas. The Audit Committee also felt that its wishes should be conveyed to the relevant Policy Development Group and that they should be asked to consider this in relation to their own remit with the aim of ensuring that future consultations be focused on risk / service improvement opportunity and be geographically representative.
- Officers working in the areas of 'Housing Lettings' and 'Asset Management' were congratulated for their 'High Standard' audit opinions.
- The number of recommendations made in some areas whilst still receiving the same overall audit opinion seemed disproportionate in some audits. The Audit Manager accepted this view and said he would reflect upon it.
- The Committee congratulated the Audit Manager for the new format of the outstanding audit recommendations appendix showing outstanding recommendations in year and priority order.

Note: * Report previously circulated; copy attached to the signed minutes.

31. **EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE (00:50:50)**

The Committee received a verbal update from Grant Thornton regarding progress in delivering their responsibilities as the Council's external auditors. There was not much to report at the current time since it was still very early on the current financial year. The Annual Audit Letter would be presented to the next meeting and work in relation to the Housing Benefit Certification area would be completed by 30 November. Planning in relation to the 2019/20 audit would commence towards the end of the year.

The Committee **NOTED** the Fee Letter which stated how much the Council would be required to pay for next year's audit. It was confirmed that this fee was set by Public Sector Audit Appointment Ltd (*PSAA) and not Grant Thornton.

32. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (00:53:30)

The following was requested to be on the agenda for the next meeting in addition to the items already listed in the work programme:

- CiPFA Self Assessment

A brief discussion took place regarding whether the Audit Committee had a role to play in the monitoring of S106 funding. A concern was expressed that the Council would be left exposed if it did not re-coup all funds owing to it. The Chairman explained that the AGS Action Plan already contained consideration of this issue and that if the Committee did not feel this was sufficient when it next received this report it could request a more detailed report for a future meeting.

(The meeting ended at 6.30 pm)

CHAIRMAN