

MID DEVON DISTRICT COUNCIL

MINUTES of a **SPECIAL MEETING** of the **AUDIT COMMITTEE** held on 21 February 2017 at 4.00 pm

Present

Councillors

R Evans (Chairman)
Mrs J B Binks, Mrs C Collis, R M Deed,
T G Hughes, F W Letch and B A Moore

Apologies

Councillors

R F Radford and L D Taylor

Also Present

Officers

Andrew Jarrett (Director of Finance, Assets and Resources), Jill May (Director of Corporate Affairs and Business Transformation), Catherine Yandle (Internal Audit Team Leader) and Sarah Lees (Member Services Officer)

75. APOLOGIES

Apologies were received from Councillors R F Radford (who was substituted by Councillor B A Moore) and Councillor L Taylor (who was substituted by Councillor F W Letch).

76. PUBLIC QUESTION TIME

There were no members of the public present.

77. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements to make.

78. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 24 January 2017 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

79. INTERNAL AUDIT OPTIONS FROM 2017/18 (00:03:40)

The Committee had before it a report * from the Internal Audit Team Leader summarising the options the Council had for Internal Audit provision going forwards.

It was explained that the options remained unchanged from when they were discussed at the last meeting. However, the staff involved had now had an opportunity to visit the second proposed audit partnership. In addition information had been received from another authority regarding the costs involved in receiving a provision from an external firm. The CIPFA average cost per audit day for 2014/15 was £298 so the cost of Mid Devon District Council's 500 days in the plan would be £149,000. The external audit cost for internal audit work undertaken at another local

authority was an average of £313 per audit day compared to the current costs of £250 per day at this authority.

It was further explained that whilst the preferred option was to procure Audit management via a Service Level Agreement (SLA) or enter into Partnership Arrangements with an External Provider, officers were merely seeking a steer from the Committee as to which route to pursue so that transitional arrangements could be entered into as soon as possible. The final decisions would be made by the Management Team having received a steer from the Committee.

A progress report would be brought to the next meeting.

Discussion took place regarding:

- The continued relevance of EU regulations at the current time.
- The cost effectiveness of the various options involved.
- The benefits of maintaining some control if the Council pursued the partnership option.
- A vast amount of detail had been provided at the last meeting and it was confirmed that both potential providers had been asked the same questions.
- It was possible that a larger body of people may have a greater range of skills but in general audit skills were generic.
- The same TUPE terms and conditions would apply for an external or a partnership provider although the pension arrangements for an external provider would probably be different.
- Whether the report contained a bias for one provision route over another although the possible reasons for this were outlined.

RESOLVED that the Management Team be informed that having carefully considered the options available, it was the Audit Committee's opinion that the Council should pursue procuring Audit management via a Service Level Agreement (SLA) or enter into Partnership Arrangements with an External Provider.

(Proposed by Councillor B A Moore and seconded by Councillor R M Deed)

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

80. **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (00:28:00)**

In addition to the items already listed in the work programme, the following items were requested to be on the agenda for the next meeting:

- Internal Audit outsourcing update
- AGS 2015/16 Action Plan update
- Whistleblowing policy

(The meeting ended at 4.29 pm)

CHAIRMAN