

MID DEVON DISTRICT COUNCIL

MINUTES of a MEETING of the AUDIT COMMITTEE held on 17 November 2015 at 5.30 pm

Present

Councillors

R Evans (Chairman)
Mrs C Collis, R M Deed, T G Hughes, F W Letch and
R F Radford

Apology

Councillor

Mrs J B Binks

Also Present

Councillor

P H D Hare-Scott

Present

Officers

Andrew Jarrett (Head of Finance), Amy Tregellas (Head of Communities and Governance and Monitoring Officer), Catherine Yandle (Internal Audit Team Leader) and Sarah Lees (Member Services Officer)

38. APOLOGIES

Apologies were received from Councillor Mrs J B Binks.

39. PUBLIC QUESTION TIME

There were no members of the public present.

40. MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting were confirmed as a true and accurate record and **SIGNED** by the Chairman subject to the following amendments:

- Minute 31, first bullet point under 'Legal Services', the word 'Member' to be inserted after 'elected'.
- Minute 31, last bullet point under 'Insurance' should read 'Staff had to sign a mandate to allow a private company to check that the details of their driving licence were in order'.

41. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had the following announcements to make:

1. He had attended an Audit Committee training course on 21 October 2015 which had been excellent. There had been an impressive speaker named Jason Vaughan who was the Strategic Director for North Dorset District Council, West Dorset District Council and Weymouth & Portland Borough Council. Cllr Radford had attended the same training and was also impressed with Mr Vaughan who was described as having a no nonsense attitude. Cllr Radford had approached him to ask if he could come and speak to Members of this Council and he had said that he would. The Chairman stated that he would follow this up.

2. He had found the budget monitoring briefing for all Members informative and well delivered.
3. He and the Head of Finance would be attending an income generation seminar in London on 1 December 2015.

42. PERFORMANCE AND RISK Q2 (00:07:00)

The Committee had before it, and **NOTED**, a report * from the Head of Communities and Governance updating it on performance against the Corporate Plan and local service targets for 2015/16 as well as providing an update on the key business risks.

The Internal Audit Team Leader stated that figures had not been available at the time of the agenda despatch for the Managing the Environment Portfolio. Figures had now been received and an update was displayed via the whiteboard to Members of the Committee:

- The number of fixed penalty notices were discussed and the fact that this did not just relate to parking offences but also to such matters as litter offences. This was a difficult area to set a meaningful target for. The most meaningful measure might be to just state how many had been issued.
- Performance indicators would be reviewed as part of the work on the new Corporate Plan.
- It was expected that waste and recycling figures would improve as the new scheme settled down.

Discussion took place regarding the rest of the portfolio areas performance indicators:

- It was confirmed that the 14 affordable homes reported were the ones in St Andrews Street in Tiverton. 30 more Council properties were due to be built at Palmerston Park in Tiverton. A number of planning applications had been approved across the district for more affordable homes but these were still in the very early planning stages.
- Gas safety certificates had expired on 6 properties as at 30 September.
- A survey was conducted every quarter of all the business premises within the towns to ascertain the number of empty shops. It was reported that there was almost 100% occupancy of Council owned business premises.
- The Council was working closely with the Portas Team to improve footfall figures. The Portas Team were focussed on specific projects such as the 'Coopera-tiv' and the 'Creativ' hub which were in empty shops.
- It was noted that the number of major applications to be determined was below target as was listed building consent. The question was asked as to why this was, one of the reasons being that a number of Planning Officers had been on maternity leave at the same time. The Chairman stated that the lack of cover during this period was 'disappointing' and expressed concern regarding any financial penalty that the Council may incur as a result of not meeting national timescales. The Head of Finance stated that to have brought agency staff into the organisation to cover the maternity leave would have involved a significant cost detrimentally affecting the budget. Nevertheless the Chairman requested that the comments raised during the meeting be taken back to the Head of Planning and Regeneration.

- This Committee had approved the Risk and Opportunity Management Strategy that required any risks scoring a '5' on potential impact, such as the risks associated with asbestos, be reported.

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

43. **INTERNAL AUDIT PROGRESS REPORT (00:44:10)**

The Committee had before it, and **NOTED**, a report * from the Internal Audit Team Leader updating it on the work performed by Internal Audit for the 20105/16 financial year.

She outlined the contents of the report stating that it included the audit opinion for 4 internal audits relating to Payroll, Housing Rents, Grants and Donations and Gifts and Hospitality. She stated that the Council Tax and NNDR internal audit was complete and the Treasury and Cash Collection were almost finished.

There were no overdue outstanding high priority audit recommendations at this time which was mentioned as being an improvement worthy of note. 15% of all recommendations were overdue compared to 39% reported last time.

The Chairman commented that there was still one outstanding action from 2012 in relation to Standby. It was explained that this was to do with risk assessments for Standby Operatives and a decision was awaited on the out of hour's telephone call back procedure before this could be completed.

Overall, progress was being made and required actions were being managed in a far more proactive way.

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

44. **INTERNAL AUDIT REPORTS (STANDING ITEM)**

Discussion regarding internal audit reports had taken place under the previous item. There had been no need to move into Part II.

45. **GRANT THORNTON - ANNUAL AUDIT LETTER (00:51:08)**

The Committee had before it, and **NOTED**, a report * from Grant Thornton summarising the key findings arising from their work for the year ended 31 March 2015. This included comments in relation to the Financial statements audit (including the audit opinion) and their Value for Money conclusion.

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

46. **GRANT THORNTON - REPORT OF FINANCIAL RESILIENCE (00:53:52)**

The Committee had before it, and **NOTED**, a report from Grant Thornton summarising their findings from the work supporting their Value for Money conclusion. This report complimented their Audit Findings report as presented on 28 July 2015 by providing additional detail on the themes that underpin their Value for Money conclusion.

Discussion took place regarding:

- Staff sickness – there had been a few instances of long term sickness which had the effect of distorting the overall figures which were showing above target. The external auditors had identified this as a potential risk to the organisation. A Member briefing would be held on 1 December 2015 providing more information on this subject.
- Financial planning had improved.
- Member engagement had also improved with a now larger trained Audit Committee.

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

47. GRANT THORNTON - EXTERNAL AUDIT UPDATE (01:02:49)

The Committee had before it, and **NOTED**, a * report from Grant Thornton updating it on the progress made in delivering their responsibilities as the Council's external auditors.

It was hoped that the external audit findings for the 2015/16 financial year would be presented to the Committee in July 2016, two months ahead of the current schedule for the second year running.

Discussion took place regarding a number of Grant Thornton publications:

- Devolution and how councils are progressing with income generation and creating growth. A report would be going to the next Cabinet meeting regarding devolution but it was unlikely that any more detail would be known about business rates.
- Audit Committee effectiveness review, that is, how Members were selected, the skills and training they require and the optimum number on the Committee. The Committee requested that they receive a hard copy of this publication.
- Improving efficiency of Council Tax collection.
- Grant Thornton had been working with the Centre for Public Scrutiny to produce a member training programme.

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

48. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:24:14)

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:

- Members Motor insurance disclosures
- Grant Thornton – Grants and Certification report
- Update on the Annual Governance Statement Action Plan
- Update on the Financial Regulations

(The meeting ended at 7.00 pm)

CHAIRMAN