

## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **AUDIT COMMITTEE** held on 28 June 2016 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)

## 16. **APOLOGIES**

Apologies were received from Cllr Mrs J B Binks.

## 17. **PUBLIC QUESTION TIME**

There were no members of the public present.

## 18. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make.

## 19. **MINUTES OF THE PREVIOUS MEETING**

The Minutes of the meeting held on 31 May 2016 were approved as a correct record and **SIGNED** by the Chairman.

## 20. **INTERNAL AUDIT PROGRESS REPORT (00:02:15)**

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 2016/17 financial year.

This was the first progress report for the 2016/17 financial year and summarised performance between the period of 1 April 2016 to 31 May 2016. Core audits were not scheduled to start until the autumn. Systems audits had been completed for Refuse and Recycling, Stores and Data Protection & Information Security. Summary findings in relation to each of these had been included within the report.

Overall 24% of audit recommendations were overdue compared with 25% at the end of 2015/16. Two of the three high priority recommendations had been referred to the Audit Committee for approval to extend the deadline. It was **AGREED** that an

extension of time be approved. However, since progress had been made in reducing the number of high priority recommendations attention now needed to be focussed on the medium priority recommendations. The Chairman requested that the senior officers present take this message back to the Management Team.

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

## 21. **INTERNAL AUDIT REPORTS (00:11:41)**

Brief discussion took place regarding the following internal audit reports:

### Stores

It was suggested that eBay was a good option for selling obsolete stock.

### Data Protection and Information Security

The Chairman stated that he had reminded Conservative colleagues of the need to complete all data protection policies. There were still a number of Members who had not completed all of these and as data controllers they had a responsibility for personal information and they needed to be aware of that in order to avoid a breach of the Act and possible financial penalty, as well as posing a reputational risk to the individual and organisation.

The Monitoring Officer had given Members a deadline of 15 July 2016 to complete the outstanding courses and policies otherwise their names would be forwarded to the Standards Committee.

## 22. **CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS (00:17:00)**

The Committee had before it a report from the Internal Audit Team Leader summarising the changes to the arrangements for appointing External Auditors, following the closure of the Audit Commission and the end of the transitional arrangements, at the conclusion of the 2017/18 audits.

It was explained that this was a standardised report from the Local Government Association. The Council would need to consider the options available and put in place new arrangements to make a first appointment by 31 December 2017. The Committee was requested to consider its preferred approach regarding each of the three options presented in the report. The Local Government Association would be issuing formal invitations to opt-in to the Sector Led Body (SLB) in September 2016 which would have to be open for a minimum of 8 weeks. Therefore a formal recommendation would be made to full Council at the 20 September 2016 Audit Committee meeting.

A brief discussion took place regarding the option to opt-in to a Sector Led Body which would mean that individual elected Members would have less opportunity for direct involvement in the appointment process other than through the Local Government Association and/or stakeholder representative groups.

It was **AGREED** that a further report be brought before the Committee at its meeting on 20 September 2016.

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

23. **EXTERNAL AUDIT UPDATE - VERBAL UPDATE ON PROGRESS WITH THE 2015/16 AUDIT (00:24:00)**

The Head of Finance explained that the external auditors had had to send their apologies to the meeting as they had vital work to complete in order to meet the desired timescales. He further explained that he had just had a meeting with them and they had confirmed that their work was 95% complete and that they were happy with what they had seen so far. They had confirmed that they would be able to present their findings to a special meeting of the Committee on 15 July 2016.

24. **START TIME OF THE NEXT MEETING (00:25:35)**

It was **AGREED** that it was not necessary to have the Audit Committee meeting scheduled for 26 July 2016 in addition to the special meeting on 15 July and therefore the meeting on 26 July be cancelled.

It was further **AGREED** that the meeting on 15 July commence at 11am to allow time for the external auditors to return to their office and complete their administration in relation to the audit.

25. **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (00:27:58)**

In addition to the finalised Annual Report and Accounts and the Annual Governance Statement it was noted that the following reports would also be included on the agenda for the next meeting and that anything that would have come to the 26 July meeting be brought to the meeting on 15 July instead:

- Grant Thornton 2015/16 Audit Findings
- Grant Thornton – Value for Money report (which would include the Letter of Representation)

(The meeting ended at 6.10 pm)

**CHAIRMAN**