

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 19 September 2017 at 5.30 pm

Present

Councillors

R Evans (Chairman)
Mrs C Collis, R M Deed, R F Radford,
L D Taylor and B A Moore

Apologies

Councillors

Mrs J B Binks and T G Hughes

Also Present

Officers

Andrew Jarrett (Director of Finance, Assets and Resources), Catherine Yandle (Internal Audit Team Leader), David Curnow (Deputy Head of Devon Audit Partnership) and Sarah Lees (Member Services Officer)

Also in

Attendance

G Daly (Grant Thornton)

27. **APOLOGIES**

Apologies were received from Councillors Mrs J B Binks who was substituted by Cllr B A Moore and T G Hughes.

28. **PUBLIC QUESTION TIME**

There were no members of the public present.

29. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 17 July 2017 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

30. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

- a) He welcomed John Smith to the meeting who was present to observe it as part of his role as an Independent Person on the Standards Committee.
- b) He informed the Committee that he had had a pre-meeting with David Curnow, the Deputy Head of the Devon Audit Partnership in order to touch base on the new audit arrangements. He was happy to report that the feedback he had received from the staff, who had transferred, was that they were very pleased and happy in the new engagement.

- c) The next Devon Audit Partnership (DAP) meeting would be on 15 November at 10.30am at County hall and he and Cllr R F Radford intended to attend.
- d) He reminded the Committee that two training days were being run by the Devon Audit Partnership (DAP) and the South West Audit Partnership (SWAP) on 18 October (at the Sparkford Motor Museum) and 24 October (at Buckfast Abbey). All members of the Committee were welcome to attend. It was his intention to attend the Sparkford Museum training on 24 October 2017.
- e) The Policy Development Groups had started having informal workshops to discuss policy development in an informal setting, he asked whether the Audit Committee wished to also have an informal forum in which to discuss issues and ideas around the audit subject. It was **AGREED** by the Committee that this was not necessary for their particular Committee.
- f) He was regularly copied into a DAP 'Internal Audit View' newsletter and asked whether the rest of the Committee would like to be added to the distribution list. It was **AGREED** that they wished for this to happen.

31. **PERFORMANCE AND RISK FOR 2017-18 (00:07:35)**

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 2017-18 as well as providing an update on the key business risks.

The report provided further information in relation to projects being run by the Council that were helping to deliver the aims and objectives of the Corporate Plan.

It was explained that a decision had been taken to remove some of the performance and risk reporting in relation to the Community portfolio and treat it as Part II. This was specifically in relation to the leisure service area, where some of the information was of a commercially sensitive nature. Reporting of performance data was therefore currently under review in his area.

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

32. **PROGRESS UPDATE ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN (00:13:02)**

The Committee had before it, and **NOTED**, a report * from the Internal Audit Team Leader providing it with an update on progress made against the Annual Governance Statement 2016/17 Action Plan.

Of the issues that had been identified as needing action the following update was provided:

- The Leadership Team had commenced regular 6 monthly question and answer sessions for all staff and also a regular 'Chat with the Chief'.
- The staff charter had been discussed in the previous week by the Leadership Team.

- The deadline for ethics training had now lapsed and a revised date needed to be shown in the Action Plan for the next meeting.
- The Aspiring Managers programme had now commenced.
- An Equalities training session had been run for Members, however, this had been very poorly attended therefore an additional session would be run again before full Council on 25 October 2017.

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

33. **INTERNAL AUDIT PROGRESS REPORT (00:16:55)**

The Committee had before it, and **NOTED**, a report * from the Deputy Head of the Devon Audit Partnership updating it on the work performed by Internal Audit for the 2017/18 financial year.

The contents of the report were outlined with the following being highlighted:

- They had largely concentrated on systems audits and had fitted in other audits around this.
- The Performance Progress Chart showed that the team were on track to complete the audits within the Audit Plan by the end of the year.
- The planned audit of Housing Options – Homelessness had been deferred until the Autumn at the client's request to fit better with proposed changes in legislation. The team had however, in the meantime been able to make one or two recommendations around staff safeguarding in that area.
- One high risk had been identified in relation to 'Electronic Payments' and a recommendation had been made to mitigate the risk going forwards.
- Regarding the Contracts Register audit the review had shown that there were a number of weaknesses in the systems of internal check and control and recommendations had been made to address these weaknesses.
- A number of issues had been identified within Planning Enforcement, these had been recognised by the service area and a positive plan of action had been put in place.

The Chairman stated that the number of medium risk recommendation had risen from 24 to 32 and 8 of those were outstanding from 2015. He asked that the Director of Finance, Assets and Resources take the message back to Leadership Team that the Committee wanted to be reassured that these were being addressed and that there was a concerted effort to improve these numbers. The Director of Finance Assets and Resources stated that he would provide the Committee with a progress update by the end of the following week.

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

34. **MEETING MANAGEMENT**

The Chairman stated that the next item of business would be to receive the Annual Audit Letter from Grant Thornton followed by the External Audit progress report.

35. ANNUAL AUDIT LETTER FROM GRANT THORNTON (00:27:02)

The Committee had before it, and **NOTED**, the Annual Audit Letter * from Grant Thornton summarising the key findings arising from the Work they carried out as the Council's external auditors for the year ended 31 March 2017.

The following was highlighted within the report:

- Grant Thornton had issued an unqualified opinion in relation to the Council's financial statements and value for money conclusion on 17 July 2017.
- They had certified that they had completed the audit of the accounts in accordance with the requirements of the Code on 8 September 2017.
- They had submitted their assurance statement on the Whole of Government Accounts on 14 August 2017.
- As the Council's external auditors they were required to certify the Housing Benefit subsidy claim, this work was not yet complete but would be finalised by 30 November 2017.

Note: * Annual Audit Letter previously circulated; copy attached to the signed minutes.

36. EXTERNAL AUDIT PROGRESS REPORT AND UPDATE (00:29:05)

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

- It was anticipated that they would complete the certification of the Council's 2015/16 Housing Benefit and Council Tax subsidy claims by 30 November 2017.
- They were also due to commence work on the Pooling of Housing Capital Receipts claim as well as the Housing & Communities Agency claim.

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

37. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (00:30:50)

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

- The new format of internal audit reports.

(The meeting ended at 6.01 pm)

CHAIRMAN