

110. CODE OF CORPORATE GOVERNANCE

The Service Improvement Officer presented the report of the revised Code of Corporate Governance and went through the core principles within the Code of Corporate Governance. Members discussed the report and Mr Ashworth requested that the word compliance is added to the Code of Corporate Governance and should be mentioned with appropriate emphasis.

The Service Improvement Officer confirmed that the word compliance will be added to the report.

It was proposed by Councillor Brenton, seconded by Mr Ashworth and –

Resolved:

That the revised Code of Corporate Governance be approved.

(Vote: For Unanimous)

111. ANNUAL GOVERNANCE STATEMENT - REVIEW OF EVIDENCE PRINCIPLE G1

The Service Improvement Officer gave a detailed report into how the AGS Supporting Evidence reflects the governance framework. The Service Improvement reminded Councillors that it was agreed at the meeting on 29 November 2016 that the Council should continue to look at governance evidence topics on a random basis as chosen by the Chair.

The Chair had chosen principle G1 for review, principle G1 is about implementing good practice in transparency.

Members discussed the report and Mr Ashworth commented that no report on transforming Torridge had been presented at Full Council meeting recently.

The Strategic Manager (Resources) confirmed that verbal reports had been given at recent Full Council meeting and at the next Full Council meeting on the 11 December 2017 a written report has been produced.

It was a proposed by Councillor Brenton, seconded by Councillor Robinson and –

Resolved:

That the report will be duly noted.

112. ANNUAL AUDIT LETTER

The Audit Manager, Grant Thornton presented the Annual Audit Letter.

The Audit Manager confirmed that the letter summaries the work for 2016/17 and confirms that Grant Thornton gave an unqualified opinion on the Council's financial statements on 22 August 2017, that Grant Thornton were satisfied that the Council had put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2017. This was reflected in the audit opinion on 22 August 2017.

Members duly noted the Annual Audit Letter.

113. PREPARATION FOR THE 2017/18 ACCOUNTS

The Strategic Manager (Resources) gave a verbal update on the preparation for the 2017/18 Accounts.

The Strategic Manager (Resources) commented on the audit opinion that there were significant number of minor issues with the draft accounts for 2016/17. He confirmed that during 2017 two post holders in the finance team left the council however these positions have now been recruited and that he is not expecting the same level of errors in the draft accounts for 2017/18.

The Strategic Manager (Resources) confirmed that preparation work had already started for the 2017/18 accounts and that the finance team had already started work on asset valuations.

Members noted the report.

114. MANAGING THE RISK OF FRAUD AND CORRUPTION

The DAP Partnership Manager gave an update of the results of a self assessment against the CIPFA code of practice on Managing the Risk of Fraud and corruption.

Since the report has been published the 2016-17 figures had been published by CIPFA and Members felt these figures were more realistic.

Members noted that there are effective and appropriate processes in place however going forward the committee need to ensure that the practices remain in place to deter and prevent fraud.

Councillor Brenton asked the DAP Partnership Manager how Universal Credit will be affected by fraud.

The DAP Partnership Manager confirmed that he will find out and report back to the committee.

Mr Ashworth commented that Torridge District Council need to be proactive not reactive towards fraud and if Torridge District Council are proactive in their approach they can then use the Audit committee to look at the vulnerable areas.

It was proposed by Councillor Robinson, seconded by Councillor Brenton and –

Resolved:

That the report is noted.

(Vote: For unanimous)

115. AUDIT REPORTS ISSUED TO DATE

The DAP Partnership Manager provided a summary of the audit reports issued to date. Seven reports have been issued since April with ICT Cyber Security Follow Up; Governance; Debtors and Council Tax receiving a good opinion and Community Safety Partnership, Asset Management and Licensing receiving a satisfactory opinion.

An additional source of assurance came from SWAP who produced a report on Wessex Home Improvement Loans and provided a substantial opinion.

Members discussed each of the reports and Councillor Brenton raised a question to the Strategic Manager (Resources): how do you establish a value of an asset as some Members have concerns over the valuation of Bridge Buildings?

The Strategic Manager (Resources) confirmed that the district valuer is an independent professional organisation which provides the valuation. The Strategic Manager (Resources) confirmed that a report went to Full Council with the estimates from the district valuer and members agreed to market Bridge Buildings with the results of the exercise brought back to Full Council for Members to determine.

It was proposed by the Chair, seconded by Councillor Brenton and:

Resolved

That the reports be noted.

(Vote: For unanimous)

116. PROGRESS WITH AGREED ACTIONS

The Service Improvement Officer provided an update on progress with implementing agreed actions. Since the A&G Committee in July 2017 there have been 7 internal audit reports issued containing 18 agreed new audit actions. In the same period there have been 13 actions completed by management.

The Service Improvement Officer went through each of the 5 actions which were due for completion by the end of November 2017 which were not completed and explained to Members why these target dates had been missed.

Members discussed the actions and agreed to archive the Tree Preservation Order Audit Action as this was now part of the Digital by default project.

Members also discussed archiving the Audit action for Waste however Mr Ashworth raised that it should not be archived as it was too much of a risk as if there is no formal contract therefore who is liable.

Members raised their worries regarding no formal agreement in place and possible non compliance with the FRP, therefore the Strategic Manager (Resources) agreed to discuss with the Waste & Recycling Manager and report back.

Members also discussed the proposal to extend time to complete the information management policy and the IT security policy. Members felt that due to cyber security risks these documents could not be delayed and the Strategic Management (Resources) agreed to review this matter and report back.

Members noted the update.

117. GRANT THORNTON UPDATE REPORT

The Audit Manager gave a brief update and confirmed that the work which has been carried out on the Housing Benefit subsidy claim had been submitted to the DWP on 30 November.

The Audit Manager also went through the updates for the Code of Practice on Local Authority Accounting for 2017/18.

Members noted the update.

118. EXTERNAL AUDIT OF HB SUBSIDY CLAIM FROM 2018/19

The Strategic Manager (Resources) explained that the Department for Work & Pensions has set out its arrangements for the audit of housing benefits subsidy for 2018/19 and it sets out that the Local Authority to appoint an external auditor to undertake the work and inform the DWP.

The Strategic Manager (Resources) confirmed that it made sense to use Grant Thornton for this work as they are the Council's auditors.

The Strategic Manager (Resources) confirmed that a report will come back to a future committee meeting.

Members noted the update.

119. DATA PROTECTION ACT 2017

The Devon Audit Partnership Manager confirmed that he had been working with the Senior Solicitor to put in place a GDPR Action plan.

The Devon Audit Partnership Manager confirmed that there are a number of actions to be taken however he will be working with the Senior Solicitor and will provide an update at the next committee meeting.

Members duly noted the report.

120. SURVEILLANCE COMMISSIONERS INSPECTION REPORT

The Senior Solicitor confirmed that an inspection report had been carried out by the Investigatory Powers Commissioner's Office.

The Senior Solicitor confirmed that the surveillance inspector had congratulated the council on the impressive approach it has taken.

Members formally noted the report.

121. APPOINTMENT OF EXTERNAL AUDITORS FROM 2018/19

The Strategic Manager (Resources) confirmed that Grant Thornton had been appointed as the External Auditors for 2018/19 and that it had been confirmed to the Public Sector Audit Appointments (PSAA) board that Torridge District Council was happy with the choice.

Members noted the update.

122. WORKING IN PARTNERSHIP WITH DAP

The DAP Partnership Manager confirmed that the contract between Plymouth City Council, Devon County Council, Torbay Council and Torridge District Council had been drawn up.

Torridge District Council are a full member and membership allows two members of the audit committee to sit on the board for the partnership.

The Chair confirmed that the meetings are held quarterly at County Hall

123. FORWARD PLAN

Members agreed to move the meeting from 17 April 2018 to 13 February 2018 at 2pm.

The Audit Manager, Grant Thornton requested that the annual certification letter be added to the Agenda for the meeting on 13 February.

124. CORPORATE ASSURANCE RISK REGISTER - DECEMBER 2017

The Strategic Manager (Resources) gave an update on the Corporate Assurance Risk Register. The Strategic Manager (Resources) discussed the actions that are required to reduce the target risk.

The Strategic Manager (Resources) updated that:

Fair Funding review and move to 100% Business Rates Retention.

As this was not included in the budget as expected this is still not clear. He understands that there will be a post Christmas consultation for fair funding.

Living wage and review of salaries.

Again expected this to be in the budget but it wasn't. The Strategic Manager (Resources) confirmed that he had received an email from the LGA during the meeting regarding the pay award for 2018/19. This will be reviewed and an update given at a future committee meeting.

Oil spill in harbour.

It was confirmed that training took place in August 2017.

Members duly noted the update.

It was proposed by Councillor Hackett, seconded by Councillor Robinson and –

Resolved:

That under Section 100(a)(4) of the Local Government Act (as amended) the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information by virtue of Paragraph 3 of Part 1 and Paragraph 10 of Part 2 of Schedule 12A of the Local Government Act 1972.

(Vote: For – unanimous)

125. PART II (CLOSED SESSION)

126. CORPORATE ASSURANCE RISK REGISTER - PART II ITEMS - DECEMBER 2017

The Strategic Manager (Resources) gave an update on the confidential parts of the Corporate Risk Register. The Strategic Manager (Resources) went through the risks and gave an update.

Members noted the report.

It was proposed by Councillor Hackett, seconded by Councillor Himan and –

Resolved:

That the meeting return to Part I and that any press and public be readmitted.

(Vote: For unanimous)

The meeting commenced at 2.00 pm and closed at 3.40 pm

Chair:

Date: