

TORRIDGE DISTRICT COUNCIL

AUDIT & GOVERNANCE MEETING

Town Hall - Bridge Street, Bideford, EX39 2HS

Tuesday, 11 July 2017 - 2.00 pm

PRESENT                      Councillor P Hackett (Chair)  
Councillors J Himan, R Julian and D Hurley

ALSO PRESENT              J Wallace                      - Head of Paid Service  
S Hearse                      - Strategic Manager (Resources)  
D Heyes                      - Finance Manager  
M Bartlett                   - Grant Thornton Audit Manager  
G Daly                        - Grant Thornton  
R Hutchins                  - Devon Audit Partnership Manager  
T Vanstone                  - Democratic Services Officer  
C Dobbs                      - Service Improvement Officer

APOLOGIES                S Robinson, Alastair Ashworth

The Chair welcomed everyone to the meeting.

73.     MINUTES

The minutes of the meeting held on 2 May 2017 were presented.

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

Resolved:

That the minutes be confirmed as a correct record and signed by the Chair.

(Vote: For 3, Abstention 1)

74.     ACTION LIST

Minute 26: The Chair confirmed that Governance Training will be covered in today's committee meeting.

Minute 56: This item will be rolled over to the next committee meeting.

Minute 58: The Strategic Manager (Resources) confirmed that he had raised the question however the option to move to 50/50 representation would be unlikely as the agreement has been set up since 1974 and it would mean North Devon would lose around £40,000 per annum.

75. DECLARATION OF INTERESTS

There were no declarations of interest.

76. AGREEMENT OF AGENDA ITEMS PART I AND II

The agenda as circulated was agreed.

77. URGENT MATTERS BROUGHT FORWARD WITH THE PERMISSION OF THE CHAIR

There were no urgent matters brought forward.

78. ANNUAL AUDIT MANAGER'S OPINION

The Devon Audit Partnership Manager presented the Annual Internal Audit Opinion which reported on the overall adequacy and effectiveness of the Authority's internal control environment.

The findings of the report were discussed by Members and the Devon Audit Partnership Manager was able to provide a significant assurance on the adequacy and effectiveness of the Authorities internal control framework.

The Devon Audit Partnership Manager confirmed that for the areas which provided Satisfactory/Marginal or Marginal/Satisfactory opinions, Action plans have been put in place to improve these opinions.

Members duly noted the report.

79. ANNUAL GOVERNANCE STATEMENT

The Service Improvement Officer provided his report and asked Members for approval for the Annual Governance Statement 2016/2017 and that the summary Action Plan be noted.

Members reviewed the statement and a brief discussion followed regarding the Annual Governance Statement Action Plan.

The Strategic Manager (Resources) gave an update on the summary actions proposed.

It was proposed by Councillor Himan, seconded by Councillor Julian and-

Resolved: That the Annual Governance Statement be formally approved and the summary Action Plan be noted.

(Vote: Unanimous)

80. DRAFT ACCOUNTS

The Statutory Finance Officer presented the Draft Accounts and highlighted some of the key points from the report. The Statutory Finance Officer mentioned that the report was just for noting and that Grant Thornton would report back on their audit of the final accounts at the next meeting on 22<sup>nd</sup> August.

Members duly noted the report.

81. NON COMPLIANCE WITH PROCEDURE RULES AND WAIVERS

The Service Improvement Officer presented a report which showed that 17 waivers have been approved by the Head of Paid Services and Section 151 Officer since July 2016.

The Service Improvement Officer explained that 29% of waivers were raised by the property team and 13% by IT department. The Services Improvement Officer explained that the figure was highest for the property team as they manage the majority of the Council's external contracts and the IT Team have been moving the Council on to common IT platforms.

The Committee discussed the waivers and the reports were duly noted.

82. GRANT THORNTON UPDATE REPORT

Mark Bartlett from Grant Thornton presented a report and confirmed that the final accounts audit is due to start on the 17 July 2017 and they plan to have the final accounts signed off by 22 August 2017. Mark confirmed that at the next meeting he would report back on the final accounts.

Members duly noted the report.

83. AUDIT REPORTS ISSUED TO DATE

The Devon Audit Partnership Manager provided a summary of the audit reports issued to date. The Devon Audit Partnership Manager confirmed that one report had been issued since the meeting in April and that the opinion was Satisfactory.

The Devon Audit Partnership Manager confirmed that in April 16, 4 of 8 controls were of a marginal/satisfactory opinion and now 6/8 controls have a satisfactory audit opinion.

The Committee duly noted the report.

84. PROGRESS WITH AGREED ACTIONS

The Service Improvement Officer provided an update on the progress in implementing agreed actions. Since the last Committee meeting there has been 1 internal audit report issued containing 3 agreed new audit actions and 16 of the actions had been completed by Management.

There was 1 internal audit action due for completion by the end of June 2017 which was not completed on time. An second extension has been requested for this action.

It was proposed by Councillor Himan, seconded by the Chair and –

Resolved:

That the progress with the actions is noted and that an open extension for the 1 internal audit action is agreed.

(Vote:- unanimous)

85. WORKING IN PARTNERSHIP WITH DAP

The Strategic Manager (Resources) gave a verbal update on the working partnership with DAP. The Strategic Manager (Resources) confirmed that the formal entry into partnership with DAP had been approved by TDC, the legal agreements have been signed and stamped by TDC, Devon County Council and Torbay Council. Currently we are just waiting for Plymouth City Council to sign and stamp the agreement.

The Chair raised that two members of the audit committee will be required to sit on the board for the partnership. The Chair confirmed that he would sit on the board and would require another. The first meeting is on 15 November so will address this nearer the time.

86. APPOINTMENT OF EXTERNAL AUDITORS FROM 2018/19

The Strategic Manager (Resources) gave a verbal update on the appointment of External Auditors for 2018/19. The Strategic Manager (Resources) confirmed that the next stage is for TDC to be consulted, the consultation period is from 14 August to 22 September. Following the consultation period TDC then expect to hear who is the suggested auditor.

The Strategic Manager (Resources) confirmed that he would bring this item back to a future meeting with the final decision due in December.

87. FORWARD PLAN

The Forward Plan was considered and the Service Improvement Officer advised that effectiveness of Audit Committee be moved to the committee meeting on 22 August 2017.

88. CORPORATE ASSURANCE RISK REGISTER - JUNE 2017

The Strategic Manager (Resources) gave a verbal update on the Corporate Assurance Risk Register. The Strategic Manager (Resources) confirmed that there is still uncertainty surrounding the Local Government Finance Bill and the fair funding review as they were not mentioned in the Queen's speech.

The Strategic Manager (Resources) also confirmed that the roll out of Universal Credit for the Torridge District will be April 2018.

The Strategic Manager (Resources) confirmed that there was no update for the Part II item so there was no need to go into Part II.

89. GOVERNANCE TRAINING

Grant Thornton and Devon Audit Partnership provided the committee with a Governance training presentation.

Following the training all committee members felt that the training was presented excellently and that the information provided was very useful.

The meeting commenced at 2.15 pm and closed at 3.46 pm

Chair:

Date: