

TORRIDGE DISTRICT COUNCIL

AUDIT & GOVERNANCE MEETING

Town Hall - Bridge Street, Bideford, EX39 2HS

Tuesday, 13 February 2018 - 2.00 pm

PRESENT	Councillor P Hackett (Chair) Councillors B Boundy, R Julian, C Simmons (substituting for D Brenton) and G Dezart (substituting for S Robinson)	
ALSO PRESENT	S Hearse J Hollis C Dobbs B Davies M Bartlett T Vanstone	- Strategic Manager (Resources) - Senior Solicitor - Service Improvement Officer - DAP - Grant Thornton Audit Manager - Democratic Services Officer -
APOLOGIES	J Himan, S Robinson, D Brenton, G Daly – Grant Thornton, R Hutchins - DAP	

The Chair welcomed everyone to the meeting.

127. MINUTES

The minutes of the meeting held on the 5 December were presented.

It was proposed by Alastair Ashworth, seconded by Councillor Hackett and –

Resolved:

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

(Vote: For 2, Abstention 4)

Minute 116

The Strategic Manager (Resources) gave an update on the IT security policy. The Strategic Manager (Resources) confirmed that he is working with Devon County Council who have already produced their own policy which meets similar requirements. Devon County Council are due to report back on the IT security policy on 23 February.

Minute 117

The Strategic Manager (Resources) reported back to the committee regarding the waste contract with Peake GB. The Strategic Manager (Resources) confirmed that

the Waste Manager was in discussions with colleagues at other Councils and they were in agreement that the council could continue to work with Peake GB under the current arrangement even though there was no formal contact.

Mr Ashworth raised that a written contract should be put into place.

128. ACTION LIST

The Audit Manager from DAP confirmed that currently under the Housing Benefit rules, if a local authority is worried about fraud then this should be reported to the DWP.

The Audit Manager from DAP confirmed that once Torridge District Council move over to Universal Credit in July 2018, any fraudulent benefit activity will continued to be dealt with by the DWP.

The Audit Manager concluded that there is no reason why Torridge District Council should be affected by fraud once Universal Credit is in place.

129. DECLARATION OF INTERESTS

There were no declarations of interest.

130. AGREEMENT OF AGENDA ITEMS PART I AND II

The agenda as circulated was agreed.

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

There were no urgent matters brought forward.

132. DRAFT ANNUAL GOVERNANCE STATEMENT

The Service Improvement Officer advised that the report was being presented to give the Committee an opportunity to review and comment on the Draft Annual Governance Statement. Legislation requires the Council to conduct a review at least once a year and to publicise a report on the effectiveness of its control environment.

The Service Improvement Officer confirmed that parts of the report were highlighted in red as these are areas which would be updated in April 2018 as the draft report had being presented earlier than normal.

The Service Improvement Officer was thanked by the chair for his comprehensive review of the Annual Governance Statement.

Members duly noted the report.

133. ANNUAL CERTIFICATION LETTER

The Engagement Manager, Grant Thornton presented the Annual Certification Letter which represented the certification of the Housing Benefit subsidy claim submitted by Torridge District Council.

The Engagement Manager confirmed that the issues which were identified were listed in Appendix A of the report and that the fee for the work carried out was the same as the fee set by PSAA.

Members noted the report.

134. INTERNAL AUDIT STRATEGY & PLAN

The Service Improvement Officer presented the report and advised that it was in three parts – Strategy, Charter and Plan.

Members were informed that the audit plan had been created to provide an independent and objective opinion on the effectiveness of the Authority's arrangements for the governance, risk management and controls implemented to achieve the Council's agreed objectives.

The Service Improvement Officer went through the areas in which Devon Audit Partnership will carry out the audits based on a risk assessment of all service areas and would include Data Protection Act 2017, Food & Safety, Waste Management and Homelessness.

A discussion followed regarding new legislation coming into force in 2018 regarding homelessness. Assurances will be provided by an audit in quarter 4.

The Audit Strategy & Charter were briefly discussed and it was noted that they would be reviewed every three years or sooner if material amendments are required. Full updates will take place next year.

The Service Improvement Officer agreed that Internal Audit dates will be included in the next Audit newsletter.

It was proposed by Councillor Boundy, seconded by Councillor Simmons and –

Resolved:

That the Internal Audit Plan, Internal Audit Strategy and Internal Audit Charter be approved.

(Vote: For – Unanimous)

135. AUDIT REPORTS ISSUED TO DATE

The DAP Audit Manager present the report which contained details of six audit reports which had been published since the last meeting. The audits reported were:

Transforming Torridge Programme, Planning, NNDR, Creditors, Treasury Management and Main Accounting.

The DAP Audit Manager commented how delightful it was to see such positive reports.

The DAP Audit Manager confirmed that the Planning Audit produced a Marginal/Satisfactory opinion however commented that the council were working on improvements and anticipates future reports will have a higher level of assurance.

The Senior Solicitor confirmed that a planning improvement plan has been in place for approximately five months. The Senior Solicitor confirmed that changes had already been made and that 5 of the 7 vacancies have been filled.

Members noted the report.

#### 136. PROGRESS WITH AGREED ACTIONS

The Service Improvement Officer provided an update on the progress in implementing agreed actions. Since the last Committee meeting in December 2017 there has been 7 internal audit reports issued containing 21 agreed new audit actions. In the same period there have been 8 actions completed by management.

The Service Improvement Officer went through each of the 5 actions which were due for completion by the end of January 2018 which were not completed and explained to Members why these target dates had been missed.

Members discussed the actions and noted the update.

#### 137. GRANT THORNTON UPDATE REPORT

The Engagement Manager gave a brief update and confirmed the work which had been carried out up to 5 February which included planning for the 2017/18 financial statements audits, value for money work which is set out in the guidance issued by the National Audit Officer as well as work on the Housing Benefit Subsidy Claim.

Members noted the update.

#### 138. EXTERNAL AUDIT PLAN

The Engagement Manager went through the external audit plan explaining that the report is designed to provide the Audit Committee with a report on progress in delivering the projects as Torridge District Councils external auditors.

The Engagement Manager went through the deep business understanding in the report which includes changes to Torridge District Council service delivery, changes to financial reporting requirements which will affect local councils and any key challenges which might face the Council.

The Engagement Manager also discussed how Grant Thornton plan on meeting the early close timeframe to meet the statutory date for publication of audited local government accounts.

The Chair thanked the Engagement Manager for his update and members duly noted the update.

139. RIPA

The Senior Solicitor confirmed that the RIPA (Regulation of Investigating Powers Act 2000) covert surveillance inspection is carried out every three years by the Investigatory Powers Commissioner's Office.

The Senior Solicitor confirmed that Torridge District Council made no use of RIPA in the last two inspection periods but confirmed that RIPA training will continue to ensure Council staff remain up to date with training so that they can use the legislation appropriately should the need arise to do so.

Members noted the update.

140. DATA PROTECTION ACT 2017

The Senior Solicitor updated the committee on the progress of the GDPR. The Senior Solicitor confirmed that all departments had carried out an audit on the personal data they hold in their business area and a meeting is being held on 14 February to go through the findings and highlight any issues.

The Senior Solicitor confirmed that the next stage is to go through all policies and ensure that all policies are compliant with the Data Protection Regulations 2018.

It was confirmed that two days training will be held for staff in March with a refresher training session being held in May before the new regulations come into force. The Senior Solicitor also confirmed that Members will receive training.

Members noted the update.

141. DAP UPDATE REPORT (INTERNAL AUDIT VIEW)

The Audit Manager from DAP confirmed that the latest edition of 'An Internal Audit View' produced by Audit Together had been included in the Agenda. The newsletter included information on the role of Audit in Transformation and Project Management – lessons to learn.

The Audit Manager from DAP informed Members that Audit Together has been short listed for the Innovation in Internal Audit Award at the Public Finance Innovation Awards 2018.

142. FORWARD PLAN

The Service Improvement Officer distributed the 2018/19 Forward Plan and confirmed that there is currently four committee meetings scheduled for 2018/19. The next scheduled meeting is 12 June 2018 therefore an audit newsletter will be produced in the Spring to keep members up to date with any information.

Members noted the forward plan.

143. CORPORATE ASSURANCE RISK REGISTER - FEBRUARY 2018

The Strategic Manager (Resources) confirmed that the Risk Management Group met on 7 February which comprises of the Service Improvement Officer, Waste & Recycling Manager, Environmental Health & Community Safety Manager, Property & Procurement Manager, Customer Support Manager and the Strategic Manager (Resources).

At the meeting on 7 February officers discussed businesses continuity and also discussed the high profile compromise of Carillion. The Strategic Manager (Resources) confirmed that the Council had an independent Business Continuity Health Check undertaken by Zurich Insurance this month. The results of this check will be reported back at a future meeting.

Officers also discussed issues relating to a profit warning issued by Capita, a large supplier to the Council who provide the cash receipts, Council Tax Business Rates and benefit systems. Officers discussed how the Council would manage if Capita got into a similar situation to Carillion.

Members noted the update.

The Strategic Manager (Resources) confirmed that there were no part II information for the Corporate Assurance Risk Register.

The meeting commenced at 2.00 pm and closed at 3.32 pm

Chair:

Date: