



## **Minutes of the Audit Committee**

**22 January 2014**

**-: Present :-**

Councillor Tyerman (Chairman)  
Councillors Addis, Bent and Stocks

### **20. Apologies**

An apology for absence was received from Councillor Brooksbank.

### **21. Minutes**

The Minutes of the meeting of the Audit Committee held on 25 September 2013 were confirmed as a correct record and signed by the Chairman. Members also received an update on the improvements that were required within Children Services as requested in Minute 19/06/13.

### **22. Audit Committee Update**

Members of the Audit Committee noted the report that summarised emerging national issues and developments and included a number of 'challenge' questions in respect of the emerging issues. The report also detailed progress on scheduled activities that Grant Thornton as the Council's external auditors had undertaken.

Members paid particular regard to an Audit Commission briefing regarding income generated from chargeable services. Members highlighted situations when officers were not fully aware of the process when wanting to review charges. Members were advised that the majority of charges were set as part of the budget setting process, for those charges that are outside of the budget setting process there is the Income Strategy that can be followed when considering levels of fees and charges for services.

Members were further advised that Alun Williams (Grant Thornton Engagement Lead) and Sue Hicks (Grant Thornton Audit Manager) would be leaving their current positions and would no longer be working with Torbay Council. Members and Officers thanked Alun and Sue for the positive support and working relationship that had been built with Officers of Torbay Council.

### **23. The Annual Audit Letter for Torbay Council**

Members noted the Annual Audit Letter that summarised the key findings arising from the audit of the 2012/13 accounts and Whole of Government Accounts submission and assessment of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

**24. Certification Report 2012/13**

Members noted the Certification Report for 2012/13 the process involves the examination of certain claims and returns submitted by Torbay Council. Three claims relating to expenditure of £127.9 million were certified, the examination of the claims did not identify any significant issues in relation to the management arrangements and certification of individual grant claims and returns.

**25. Internal Audit Report 2013/14 - Six Month Monitoring Report**

Members considered a report that provided a summary of performance in the first six months against the internal audit plan for the 2013/14 financial year. Members were advised that adequate progress had been made with 64% of the planned audits commenced and 45% of audit fieldwork completed.

Members were advised of some areas which had received an audit opinion of 'fundamental weakness'. Members heard that one such area was Parkfield, the Head of Audit Partnership, Rob Hutchins explained to Members that fundamental weaknesses had been identified however the audit was a 'snap shot in time' and had been reassured that measures to address the problems had been put in place.

Members were informed that fundamental weaknesses had also been identified in Food Safety, Health and Welfare, Licensing and Trading Standards. Particular cause for concern was surrounding the department's ability to complete the required number of inspections in order to comply with the Food Standards Agency (FSA) code of practice. The Principal Environmental Health Officer was present to answer Members questions, Members noted that additional resource would be provided shortly. It was also anticipated that some premises would drop down the rating system due to the FSA code of practice being applied differently. The FSA code of practice was also subject to further revision in July 2014.

**Resolved:**

- i) that the Chairman of the Audit Committee highlight the Committee's concerns regarding the weaknesses set out in the submitted report to the Mayor and Executive Lead for Safer Communities, Parking and Sport; and
- ii) that the performance of Food Safety be reviewed by the Audit Committee on 11 June 2014.

**26. Treasury Management Strategy 2014/15**

The Audit Committee considered a report that aimed to support the provision of all Council services by the management of the Council's cash flow, debt and investment operations in 2014/15 and effectively control the associated risks and the pursuit of optimum performance consistent with those risks.

Members questioned whether 'post' project appraisals were undertaken especially when prudential borrowings had been used to aid the project. Officers advised that business cases are examined by the Finance Team prior to a decision being made, with resources being limited any assessment after the project would need to provide significant learning benefit for future projects.

**Resolved:**

Subject to a revised 'maturity structure of fixed interest rate borrowing 2014/15' table being agreed with the Chairman of the Audit Committee the Treasury Management Strategy 2014/15 be endorsed.

**27. Strategic Risk Management Quarter 2 2013/14**

Members noted the report setting out the Council's approach to strategic risk management and suggested some improvements regarding the risks, outstanding risks and direction of travel. Members felt these improvements to the reporting style would aid them in gaining assurance and confidence in the strategic risk management process.

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Chairman/woman