



Minutes of the Audit Committee

22 January 2019

-: Present :-

Councillor Tyerman (Chairman)

Councillors Barnby, Bent, O'Dwyer and Long

159. Apologies

An apology for absence was received from Councillor Morey.

160. Minutes

The Minutes of the meeting of the Audit Committee held on 25 September 2018 were confirmed as a correct record and signed by the Chairman.

161. Treasury Management Strategy 2019/20 (incorporating the Annual Investment Strategy 2019/20 and the Minimum Revenue Provision Policy 2019/20)

Members considered the Treasury Management Strategy which aims to support the provision of all Council services by the management of the Council's cash flow, debt and investment operations in 2019/20 and effectively control the associated risk and the pursuit of optimum performance consistent with those risks. The Chief Finance Officer informed Members that the Treasury Management Strategy is a requirement of the CIPFA Code of Practice on Treasury Management and has been fully updated in accordance with the provisions in the new edition of the code released in 2017 as such the recommended policy statement and practices were also included in the strategy.

Members provided feedback and sought greater clarification regarding minimum asset life and explanatory notes in respect of the tables set out in section 2 prior to presentation to the Adjourned Council Meeting on 7 February.

162. Internal Audit Report - Follow Up Report on Areas Requiring Improvement

Members considered and noted a report that provided an update on progress in areas identified as 'improvement required' as highlighted in the Annual Internal Audit report which was presented to the Audit Committee on 22 May 2018. The Head of the Devon Audit Partnership informed Members that progress in some areas had meant the previously identified risks were being minimised or mitigated where appropriate. However, the lack of progress made in the majority of action plans meant a number of the risks previously identified and highlighted to management continue to remain.

Whilst Members recognised that officer capacity was affecting the direction of travel, Members sought clarification as to what rate of progress was reasonable with a clear steer from the Senior Leadership Team (SLT) about which areas listed as 'improvement required' will be prioritised. Members welcomed the suggestion that future reports contain commentary from SLT giving specific details of whether the issue is being prioritised or the reasons for accepting the risk of not delivering improvements at pace.

163. Internal Audit - Half Year Audit Report

Members considered and noted the Internal Audit – Half Year Audit Report. Members were advised that based on work performed to date during 2018/19 and experience from previous years, the Head of Internal Audit's opinion is one of 'Limited Assurance' on the adequacy and effectiveness of much of the Council's internal control framework. The exception to this being the Corporate Directorate where the Head of Internal Audit was able to provide 'Significant Assurance'. In the case of some Directorates assurance was limited by the level of audit coverage, for example the audit coverage for Adults is mainly provided externally.

Members challenged whether SLT were satisfied with an opinion of 'Limited Assurance'. The Chief Executive expressed disappointment with the outcome and advised Members that SLT had requested Internal Audit to examine the areas included in the Internal Audit Report 2018/19 such as Neighbourhood Forums and Brixham Ferry. He was reassured that the culture of the authority was appropriate as officers were highlighting areas of concern with Internal Audit and not hiding issues but actively seeking analysis where things have gone wrong such as contract management.

164. Certification work for Torbay Council for year ended 31 March 2018

Members noted the report that set out the certification work undertaken on the Housing Benefit subsidy claim for the 2017/18 financial year which related to expenditure of £61.1 million.

Mark Bartlett, Engagement Manager for Grant Thornton, informed Members that errors had been found in respect of claimant income and rental amount resulting in an extrapolated error of £265,307 and £6,400 respectively. As a result of the errors, the claim was amended and qualified with the findings reported to the Department for Work and Pensions on 26 November 2018.

Members requested a report be presented to the Audit Committee on 26 March 2019 which provides details of how the overpayment/underpayments occurred, the effect such actions may have had on the claimants and what measures have been put in place to ensure the errors are corrected and not continuing.

165. Audit Progress Report and Sector Update

The Committee noted a report that provided an overview of the planned scope and timing of the statutory audit of the Council and details of sector publications that may be of interest to Audit Committee.

166. Corporate Performance Report: Quarter 2 2018/19

Members noted the Quarter 2 Corporate Performance Report. The Committee focused particular attention on:

- numbers on the housing waiting list by Band A;
- numbers in temporary accommodation;
- carers receiving needs assessment or review and a specific carer's service, or advice and information; and
- proportion of adults with a learning disability in paid employment.

The Assistant Director of Community Safety and the Deputy Director of Adult Services, provided an update on the recovery plan and responded to Members questions.

Chairman/woman