



## Minutes of the Audit Committee

15 January 2020

-: Present :-

Councillor Loxton (Chairman)

Councillors Howgate, Kennedy, O'Dwyer and Bye

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### 198. Apologies

An apology for absence was received from Councillor Dart.

It was reported that, in accordance with the wishes of the Conservative Group, the membership of the Committee had been amended for this meeting by including Councillor Bye instead of Councillor Hill.

Apologies were also received from Mark Bartlett and Sarah Ironmonger of Grant Thornton.

### 199. Minutes

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

### 200. Treasury Management Strategy 2020/21 (incorporating the Annual Investment Strategy 2020/21 and the Minimum Revenue Provision Policy 2020/21)

Members considered the Treasury Management Strategy that aimed to support the provision of all Council services by the management of the Council's cash flow, debt and investment operations in 2020/21 and effectively control the associated risks and the pursuit of optimum performance consistent with those risks.

Members challenged the significant drop in the forecast borrowing, questioning the Partnerships ongoing commitment to continued capital investment in Torbay in future years and requested the Leader and Cabinet be asked for their approach to future capital investment.

Resolved:

That subject to the table in Appendix 6 being amended to include Non Treasury Investments that were paid in full on or after 31 March 2019, the Treasury Management Strategy be recommended to Council.

(Note: the Chairman varied the order of business, enabling the conclusion of this item to be undertaken after item 9 (Minute 204) in order to ask questions that would require the exclusion of the Press and Public.)

### **201. Internal Audit Report - Follow Up Report on Areas Requiring Improvement**

Members considered a report that provided updated assurance to members on areas that Internal Audit had previously identified as 'improvements required'. The Head of the Devon Audit Partnership informed Members that the Annual Internal Audit Report was presented to the Audit Committee in June 2019, the report provided a summary of the audits undertaken and an assurance opinion. Members were advised that areas which were identified as 'improvements required' had action plans in place and the progress against these action plans had been reviewed; the majority of the assurance opinions remain as reported in the Annual Audit Report 2018/19.

Members paid particular attention to the fundamental weaknesses identified in Corporate Health and Safety, noting that internal audit were not due to undertake follow up work until the next financial year. Members therefore requested the Assistant Director of Community and Customer Services provide a detailed update on the progress against the action plan at the next meeting of the Audit Committee.

Members also requested Internal Audit present their internal audit report on the Children's Services Medium Term Financial Strategy/Improvement Plan to the Audit Committee on 25 March 2019.

### **202. Internal Audit - Half Year Audit Report 2019-20**

Members noted a report which reviewed the work undertaken by the Council's Internal Auditors, to date in 2019/20, and provided Internal Audit's current opinion on the overall adequacy and effectiveness of the Authority's internal control environment. The Head of the Devon Audit Partnership advised Members that in Corporate Services, Financial Services and Public Health an opinion of 'significant assurance' on the adequacy and effectiveness of the internal control framework was provided. However, for the Children's Services and Place Directorates only internal audit were only able to give an opinion of 'limited assurance'.

Members further noted that when the Audit Plan was developed the Senior Leadership Team asked to include areas where there was a sense that practices and procedures were not necessarily as robust as they perhaps should have been hence the opinion of 'limited assurance' was not unexpected. The Head of the Devon Audit Partnership stated that most value was provided by looking at those areas where management wanted independent assurance; auditing areas known to be performing well, and where the risks are low, would not be making the best use of Internal Audit resources.

**203. Annual Certification Report and Sector Update**

Members noted a report that provided the findings of the Council's External Auditors (Grant Thornton's) on the Annual Certification of the Housing Benefit Subsidy Claim. The Director of Corporate Services detailed the sampling process, the errors found and the resulting action taken by the Council's External Auditors and the Council itself.

**204. Whistleblowing Complaints**

Members noted the report and exempt appendix. The Director of Corporate Services provided an update an estimated timescales of ongoing work.

(Note: prior to consideration of the item in Minute 204, the press and public were formally excluded from the meeting on the grounds that exempt information (as defined in paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) was likely to be disclosed.

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Chairman/woman