

Minutes of the Audit Committee

28 July 2021

-: Present :-

Councillor Loxton (Chairman)

Councillors Douglas-Dunbar, Hill, Johns and Kennedy

249. Apologies

An apology for absence was received from Councillor O'Dwyer.

It was reported that, in accordance with the wishes of the Liberal Democrat Group, the membership of the Committee had been amended by including Councillors Douglas-Dunbar and Johns instead of Councillors Dart and Howgate.

250. Minutes

The Minutes of the meeting of the Audit Committee and Adjourned Audit Committee held on 26 and 27 May 2021 were confirmed as a correct record and signed by the Chairman subject to Minute 245 being amended to reference the 'TDA trading as Torbay Economic Development Company Limited'.

An update was also provided in relation to Minute 242 Treasury Management Outturn report and the advice sought from the Monitoring Officer.

251. Torbay Council Audit Plan (External Audit)

In the absence of a representative from Grant Thornton, the Council's External Auditors, the Chief Finance Officer presented the circulated report. The report provided an overview of the planned scope and timing of the statutory audit of the Council.

The Chief Finance Officer drew Members attention to the Key Matters highlighting the reference to Covid-19 and the impact the pandemic would have on the Statement of Accounts.

Members were also advised that the National Audit Office had implemented a new Audit Practice Code for 2020/21, Grant Thornton believes the changes could result in External Auditors having to undertake additional work in order to provide an assessment of Value for Money arrangements. Subsequently the fee paid for Grant Thornton's service could be increasing by £46,0000.

Resolved:

That the Chief Finance Officer seeks further justification for the increase in the audit fee from Grant Thornton and raise concerns as to the service and fee increase with the Public Sector Audit Appointments (PSAA).

252. Informing the Audit Risk Assessment for Torbay Council 2020/21

This item was deferred until the Audit Committee meeting on 29 September.

253. The CIPFA Financial Management Code - Desk Top Review 2020/21

Members considered a report that set out a desk top review for 2020/21 undertaken by the Chief Finance Officer in line with the CIPFA Financial Management Code of Practice (The Code). The Code was designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The first full year of compliance would be 2021/22, this reflected the recognition that organisations would need time to work towards compliance.

Resolved:

That the report be noted and that the Audit Committee reviews the Council's compliance with the Financial Management Code on an annual basis with exception reporting on reoccurring or continuing issues.

254. Policy for the Prevention of the Facilitation of Tax Evasion

The Committee considered the submitted report that sought approval of the Policy for the Prevention of the Facilitation of Tax Evasion. Members were advised that the Criminal Finances Act 2017, Part 3, created the Corporate Offences of Failure to Prevent Facilitation of Tax Evasion. Under this Act, an offence may be committed by the Council where it fails to prevent an 'associated person' criminally facilitating the evasion of a tax, whether the tax evaded is owed in the UK or in a foreign country. In response to the requirements of the Act, the policy as set out in Appendix 1 to the submitted report had been prepared.

Resolved:

That the Audit Committee recommends to Cabinet that:

- i) The Prevention of the Facilitation of Tax Evasion Policy, as set out in Appendix 1 to the submitted report be approved;
- ii) The Cabinet be requested to strongly recommend the adoption of the policy to all of the Council's wholly owned companies.

255. HR Investigations and Whistleblow

Members considered the submitted report which set out a high level summary of the number of HR and Whistleblowing investigations.

Resolved:

That the Audit Committee receive an annual report on health and safety and an annual insurance update.

256. Budget Outturn Monitoring 2020/21 – Quarter Four - Outturn Report of the Overview and Scrutiny Board

The Committee considered a report of the Overview and Scrutiny Board in respect of the Budget Outturn Monitoring 2020/21 – Quarter Four – Outturn Report. The Overview and Scrutiny Board made the following recommendation:

‘That the Audit Committee be requested to consider a report on the detailed financial reporting and monitoring of the Council’s wholly owned companies.’

The Audit Committee considered the request.

Resolved:

That the Audit Committee receive the following for every wholly owned company of the Council:

- Management accounts on a quarterly basis for every trading company;
- Statutory accounts on an annual basis for every trading company; and
- Summary of key performance indicators on a quarterly basis for every trading company.

Chairman/woman