



Minutes of the Audit Committee

23 March 2016

-: Present :-

Councillor Tyerman (Chairman)

Councillors Bent, O'Dwyer (Vice-Chair) and Stocks

28. Apologies

Apologies for absence were received from Councillor Stringer and Alex Walling of Grant Thornton.

29. Minutes

The Minutes of the meeting of the Audit Committee held on 20 January 2016 were confirmed as a correct record and signed by the Chairman, subject to minute 23/01/2016 (ii) be amended to 25 years.

30. Urgent Items

The Committee considered the item in Minute 31, and not included on the agenda, the Chairman being of the opinion that they were urgent by reason of special circumstances i.e. the matter having arisen since the agenda was prepared and it was unreasonable to delay a decision until the next meeting.

31. Children's and Adult Services Working Party

Members considered a report of the Children's and Adult Services Working Party, the report set out a number of recommendations for the Audit Committee and the Executive Director of Operations and Finance.

Resolved:

- (i) That the Executive Director of Operations and Finance be requested to confirm acceptance of the following recommendations and the action taken to implement these recommendations:
 1. The continued creation and evaluation of plans to effect changes to working practises amongst social workers designed to both improve outcomes and reduce costs in the medium and long term.
 2. The continuing evaluation of the benefits of employing teams to ;

- a) actively impact our provision of services to children on the edge of care with a view to preventing them needing to be taken into care and
 - b) actively work with children and the families of children in care to enable them to leave the care system and return home.
3. The creation of a bottom up Safeguarding cost budget for 2016/17.
 4. Evaluation of this bottom up budget by the Director of Children Services, Service Heads, Executive Lead and Audit Working Party with aim of achieving the maximum viable placement cost saving against current year and substantial reductions in non placement cost.
 5. Agreement and commitment to the Budget being delivered by Service Heads within Children's Services.
 6. Carry out a number of benchmarking evaluations to see how Torbay compares with other authorities.
 7. Evaluation of work programs to determine a viable rate of progress in reducing Children Looked After numbers and continuing the mix changes to lower cost placements over the next 2 to 5 years. This will inform the construction of a new plan identifying the impact of which various work programs will play in achieving the plan and should explain how partnership working will contribute to those goals. The new plan will conclude with a consideration of the funding mechanism needed to support the plan.
 8. The creation of a new cost evaluation and reporting system for safeguarding budgets with monthly reporting of actual costs incurred in running the services. This should be designed to permit managers and members to hold the service to account in achieving financial goals and making progress towards achievement of all elements of the plan.
 9. Consider, possibly in consultation with the Integrated Care Organisation, how a general improvement can be introduced into the management of Children's services with a recognition of the need for navigation of our service and cost improvement needs.
 10. A detailed programme of performance monitoring generally, and specifically of the revised plan, by each of the following;
 - Children's Services
 - Senior Leadership Team
 - Executive Lead for Children and Adults
 - Overview and Scrutiny.so as to ensure appropriate challenge to Children's Services going forward.

11. Consideration of how the recommendations of this report fit with the Ofsted Improvement Plan, with the same being acted upon with sufficient pace.

(ii) that the following recommendation for the Audit Committee be approved:

That the Audit Committee assist in a benchmarking exercise looking at:

- Numbers and sources of referrals
- Numbers of initial assessments undertaken
- Numbers of core assessments
- Numbers of children who are the subject of Child Protection Plans

32. Performance and Risk

Members noted a report that presented January's Performance and Risk Dashboards and highlighted areas for review, challenge and possible further investigation. The Policy, Performance and Review Manager informed Members that the Senior Leadership Team (SLT) receive information on a monthly basis and have requested recovery plans for specific areas such as agency staff costs. Members were advised that as a result of feedback summary information would be included at the beginning of the dashboards, with graphs depicting data for previous years in order to identify trends.

Members sought reassurance that the performance and risk indicators were aligned with the Corporate Plan and as a result of SLT monitoring the data whether any had changed. Members were assured that the data was aligned with the Corporate Plan, with SLT suggesting new indicators and more regular data sources.

Members felt the dashboards did not include many 'happy' indicators that could balance the issues and give a better impression of Torbay and Torbay Council.

The Head of the Devon Audit Partnership complimented the data provided, advising that the format of the report was the best he had seen.

Members proceeded to undertake a 'deep dive' on the number of data breaches for which a recovery plan had been submitted. In order to debate the issue fully, Members resolved:

That the press and public be formally excluded from the meeting on the grounds that the remainder of the item involved the likely disclosure of exempt information as defined by paragraphs 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

Members considered the recovery plan which set out the meaning of a data breach, examples of a data breach and examples of what action can be undertaken to ensure the indicator is back on track. Members challenged whether

it should take a year to complete the targeted training and whether the resources were in place to support such an action.

33. Internal Audit Plan 2016-17

Members noted the Internal Audit Plan which had been compiled in accordance with The Accounts and Audit (England) Regulations 2015 and the Public Sector Internal Audit Standards. The plan is formulated using a risk based approach, taking into account organisational changes and corporate objectives. The Head of Devon Audit Partnership advised Members that the plan for 2016/17 had been structured with a 10% reduction in coverage days, however coverage days wasn't the only measure of assurance. Members were advised that the reduction follows on from previous requests for savings, such requests were now impacting upon the level of coverage. Members were reminded that the coverage days were not the only measure as there was also the Annual Governance Statement and other documents that would also provide a measure of assurance. The Head of Devon Audit Partnership felt the plan was achievable with the days allocated.

Members questioned whether the role of internal audit was being used to fill gaps in capacity and what value there was to the Transformation Programme being allocated 45 days. The Head of Devon Audit Partnership explained that he and his colleagues possessed the skills to help organisations move forward, looking at controls that were in place and identifying areas that could go wrong. Internal Audit can assist the Transformation Programme by being the 'critical friend' when developing business cases and understanding the risks as a service transforms.

34. Internal Audit Strategy

Members noted the Internal Audit Strategy; the strategy is a high-level statement of how the internal audit service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objective and priorities.

35. Internal Audit Charter

The Audit Committee noted the Internal Audit Charter which formally described the purpose, authority, and principal responsibilities of the Council's Internal Audit Service.

36. The Audit Plan for Torbay Council

The Committee noted the Audit Plan for Torbay Council, when the Council's external auditors plan their audits, they need to understand the challenges and opportunities the Council faces, and they also take account of the impact of key developments in the sector and national audit requirements. Mark Bartlett of Grant Thornton advised Members that a section on Materiality had for the first time been included in the report and the significant risks had been documented differently following guidance from the regulators.

Members were also advised that the Value for Money (VFM) approach had been refreshed, with guidance identifying one single criterion supported by three sub-criteria which are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

An initial assessment had been undertaken to identify significant risks such as the Ofsted inspection of Children's Services and informed decision making, with these areas being subject to further work.

Members were pleased to note that the fee for the 2015/2016 audit had reduced by 25% and that following the interim audit there were no issues arising, and therefore no action plan.

37. Audit Committee Update for Torbay Council

Members noted the submitted report which set out the progress made by Grant Thornton in delivering their responsibilities as the Council's external auditors.

Members paid particular attention to changes in accounting for the Highways Network Asset, with concerns raised regarding the implementation of these changes. Members were advised that the process was being closely monitored by the Joint Operations Team and Highways Management Team as there was considerable work and information required in order to form an overall figure.

Chairman/woman