



Minutes of the Audit Committee

7 September 2016

-: Present :-

Councillor Tyerman (Chairman)

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

56. Apologies

Apologies for absence were received from Councillor Darling (S) and Alex Walling (Grant Thornton).

57. Minutes

The Minutes of the meeting of the Audit Committee held on 27 July 2016 were confirmed as a correct record and signed by the Chairman. Members sought an update on Minute 49 in particular the formal response from the Senior Leadership Team regarding the management response provided by the Executive Head of Customer Services in Appendix A: Action Plan of The Audit Findings for Torbay. Members were advised that a response would be provided to the Audit Committee on 23 November 2016.

58. Treasury Management Mid-Year Review 2016/17 and Revised Minimum Revenue Provision Policy 2016/17

Members considered a report that provided Members with a review of Treasury Management activities during the first part of 2016/17. The treasury function aimed to support the provision of all Council services through management of the Council's cash flow and debt and investment operations. The report also set out changes in policy for future decisions arising from the referendum vote for the UK to leave the European Union.

Resolved:

That Council be recommended to:

- (i) note the Treasury Management decisions made during the first part of 2016/17 as set out in the submitted report;
- (ii) that an increase to the maximum exposure to Peer to Peer Lending from £200,000 to £500,000 as set out within Section 7 of the submitted report be approved;

- (iii) that the performance of Prudential and Treasury Indicators as set out in Appendix 4 to the submitted report be noted; and
- (iv) that the revised Minimum Revenue Provision Policy Statement for 2016/17 as set out in Appendix 2 to the submitted report be approved.

59. Performance and Risk Report July 2016

Members noted the performance and risk data up to July 2016, Members noted that following the last Audit Committee a column for risk mitigation progress had been included and the indicators for 'keeping children safe and protected' has changed to be more in line with setting targets.

Members were still concerned that the performance data was not 'getting to the heart of the matter' with the balance between qualitative and quantitative data being the difficulty. The Assistant Director for Business and Corporate Services advised Members that the Senior Leadership Team spent a great amount of time discussing the indicators that should be monitored; ease of gathering the data did not enter the equation, the discussions centred on the key areas that the Council needed to oversee and monitor.

Members requested informal briefings be arranged with the relevant service manager with the first few briefings considering front line services.

60. External Audit Appointment Update

Members considered a report that set out a number of options for the appointment process of an external auditor. The Chief Finance Officer sought members views as to which would be the preferred option, Members could see advantages and disadvantages with all the options. Members requested that all Devon authorities be surveyed as to their preference and should the Chief Finance Officer's view be to proceed with option 2 (Torbay appoint their own auditor) then a full cost analysis be presented to Members before progressing.

61. Audit Committee Update

The Committee considered a report that provided an update on the progress Grant Thornton had made in delivering their responsibilities as the Council's external auditors. Mark Bartlett of Grant Thornton directed Members to a number of publications such as 'Brexit: What happens next and what does it mean for you?'

Mark advised that the Department for Communities and Local Government (DCLG) had issued a direction and statutory guidance on the flexible use of capital receipts to fund the revenue costs of reform projects, with the direction being applied from 1 April 2016 to 31 March 2019. The Assistant Director of Business and Corporate Services sought clarification as to whether the direction applied to capital receipts already received or just to capital receipts received during this period.

Mark further advised that regulations were laid before parliament confirming proposals to bring forward the date by which local authority accounts must be published in England. Mark informed Members that Torbay was ahead of the game and he along with the Chief Finance Officer would be presenting at a workshop as an example of good practice.

62. Exclusion of the Press and Public

Prior to consideration of the item in Minute 63 the press and public were formally excluded from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

63. Internal Audit Report - School Place Planning

At the meeting of the Audit Committee on 27 July 2016, Members requested the opportunity to consider the Internal Audit report on School Place Planning and seek reassurance that the recommendations set out in the report were being implemented and whether the recent Council report on the requirements for a new primary school in Paignton reflected the recommendations of the Internal Audit report. The Schools Capital and Planning Manager and Head of Asset Management and Housing reassured Members that the recommendations had been implemented and resulted in more frequent discussions with colleagues across the Council.

The Head of the Devon Audit Partnership advised that an internal audit report, was a snapshot of a moment in time and did not reflect changes to guidance and legislation that had happened since the audit was undertaken.

Chairman/woman