



## **Minutes of the Audit Committee**

**25 May 2016**

**-: Present :-**

Councillor Tyerman (Chairman)

Councillors Bent, Darling (S), O'Dwyer (Vice-Chair), Stocks and Thomas (D)

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### **38. Election of Chairman/woman**

Councillor Tyerman was elected Chairman for the 2016/2017 Municipal Year.

### **39. Appointment of Vice-Chairman/woman**

Councillor O'Dwyer was appointed Vice-Chairman for the 2016/2017 Municipal Year.

### **40. Apologies**

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 Thomas (D) instead of Councillor Manning.

### **41. Minutes**

The Minutes of the meeting of the Audit Committee held on 23 March 2016 were confirmed as a correct record and signed by the Chairman.

### **42. Performance and Risk**

The Committee noted a report that presented May's performance and risk dashboards and highlight areas for review, challenge and possible investigation. Members noted areas of good performance such as the total recorded crime having reduced on the previous year and the proportion of stage 1 complaints dealt with on time has increased to 83%. Members welcomed the news and the Senior Leadership Teams aspiration for 100% rate of response, however they challenged whether enquiries from Councillors that would ordinarily be directed straight to an officer should be directed through the information compliance team in order for these to be logged and tracked. The Jo Beer, Policy and Performance Review Manager advised she would consider the approach and feedback to Members.

Members proceeded to undertake a 'deep dive' into the following performance indicators:

- Breastfeeding prevalence at 6-8 weeks after birth;
- Smoking status at the time of delivery
- Smoking prevalence at age 15 – regular smokers; and
- Protecting all children and giving them the best start in life

Sue Matthews, Children and Young People Lead, Ian Tyson, Assistant Finance and Commission Officer and Doug Haines, Epidemiologist from Public Health Commissioning were present to respond to Members questions.

Doug informed Members that Torbay's performance for the breastfeeding and smoking indicators were compared to national figures. Members challenged whether it was realistic for Torbay to ever achieve the national figures and whether a comparison against other authorities with similar levels of deprivation would be of greater use to judge Torbay's performance.

Members queried the level of control the Council had over the Public Health indicators, when a number of the indicators were services that were delivered by outside agencies. Doug advised that where the service was a commissioned service, Public Health had direct control of targets through the contract process. Where the indicator was the responsibility of another agency, Public Health could only use their influence to deliver the target set by the performance indicator.

Members requested Doug to consider whether there were better data comparators that would provide a more useful picture of Torbay's performance.

Members went on to consider the 'protecting all children and giving them the best start in life', in particular referrals to children's safeguarding service. Russell Knight, Group Manager, advised that the quarterly reported figures for this particular indicator had to be changed following the discovery of an error with the report generated via the Paris software. It was only after recent analysis that the error was discovered hence the correction to the published report. The error has been corrected and processes have been reconfigured, the generated figures will be forwarded to service managers to examine before being submitted to the Policy and Performance Team.

Members challenged the derivation of the targets. Members were informed that some of the targets were national aspirational figures with others being based upon local historical data. Members noted that a new set of dashboards were to be presented to the Children's Improvement Board which will use comparators such as Department for Education statistical neighbours, where information locally is used, a key to aid understanding can be provided as some of the targets are open to misinterpretation and once seized upon can be difficult to counteract.

Members questioned whether some of the targets would make more sense if they were expressed as an actual number rather than a percentage as percentage for some indicators could be affected by other variables that would impact greatly a figure when expressed as a percentage.

Having concluded their 'deep dive', Members were informed that following the end of the financial year, officers would be reviewing the information contained in the dashboards with some of the indicators changing in order to provide a balanced view of performance.

#### **43. Annual Governance Statement 2015/2016**

Members considered a report that set out the draft Annual Governance Statement (AGS). Members were informed that the AGS provides the opportunity for the organisation to review its processes, controls and objectives and to provide assurance to Members, Senior Officers and stakeholders as to the reliability of its statement of accounts and the probity of its operations.

Resolved:

Subject to the following amendments being made, in consultation with the Chairman of the Audit Committee:

- i) the number of Standards Committee's held during 2015/2016 financial year being confirmed;
- ii) the second paragraph under 'The Corporate Plan and Decision-making' be amended to read:  
  
    '~~Generally~~The Council makes recommendations to the Mayor on executive decisions with the Mayor in many cases taking those decisions...'; and
- iii) the Local Government Association Peer Review outcomes be reflected in the section headed 'Significant Governance Issues'.

The draft Annual Governance Statement for 2015/2016 be agreed and forwarded to the External Auditors for comment.

#### **44. Planned Audit Fee for 2016/2017**

Members noted the 2016/2017 Audit Fee Letter which set out the scale of fee's which were determined by the Public Sector Audit Appointments Limited (PSAA). The PSAA prescribed scale of fee's are based on the expectation that audited bodies are able to provide the auditor with complete, materially accurate financial statements, with supporting working papers, within agreed timescales.

Alex Walling from Grant Thornton advised Members that there were no planned changes to the overall work programme for local government audited bodies for 2016/17, bar the adoption of new measurement requirements for the Highways Network Asset. The PSAA have determined that there is no reliable and equitable way of establishing the volume of additional audit work; therefore fees for additional work indentified by Grant Thornton in 2016/17 will be subject to approval by the PSAA under the normal fee variation process.

**45. Audit Committee Update**

Mark Bartlett from Grant Thornton, provided an update on the timetable for the Statement of Accounts, he advised the findings of the examination of the interim accounts had been completed with work commencing on the final accounts on 6 June with the findings being reported to the Audit Committee in July. Members noted the external auditors were working with officers across all the local authorities involved in the waste to energy PFI, to determine the financial recording of the initiative.

Members were also informed that the Local Audit and Accountability Act 2014 established new arrangements for the audit and accountability of relevant authorities. These arrangements include the ability for bodies to appoint their own local public auditors via an auditor panel and may be done either individually or jointly with one or more authorities. The Chief Finance Officer advised he would provide a report for consideration at the Audit Committee in September 2016.

Chairman/woman

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