



Minutes of the Audit Committee

23 November 2016

-: Present :-

Councillor Tyerman (Chairman)

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

64. Minutes

The Minutes of the meeting of the Audit Committee held on 7 September 2016 were confirmed as a correct record and signed by the Chairman.

65. Follow Up Report on Areas Requiring Improvement

Members of the Audit Committee considered a report that provided an update on progress made in areas that had previously been deemed as requiring improvements. The progress made in some areas meant the previously identified risks are being minimised or mitigated where appropriate. However the lack of progress made in certain action plans had resulted in a number of the risks previously identified and highlighted to management continue to remain. The Head of the Devon Audit Partnership informed Members that there remained three areas where progress had been limited:

- Corporate debt
- ICT Change Control
- ICT Hosted Systems

The Head of the Devon Audit Partnership advised Members, that it was understood that the limited resources in IT affects the ability to deliver some of the recommendations in the audit reports, which indirectly could affect the delivery of IT elements of the Council's Transformation Programme.

Members felt such issues should be considered and highlighted to Members when considering the budget for 2017/2018, and requested the Chairman on behalf of the Audit Committee write a letter raising these issues with the Chairman of the Overview and Scrutiny Board.

66. Update on the Audit of Section 106 and progress on the implementation of the Community Infrastructure Levy

The Audit Committee noted the report and requested a further update in six months on the establishment of the central service that would provide an overarching monitoring process.

67. Senior Leadership Team response to Appendix A: Action Plan of the The Audit Findings for Torbay Council

Members noted the report and that the response to the recommendation was shared by the wider Senior Leadership Team. Mark Bartlett from Grant Thornton advised that as the Council's external auditors he was satisfied that the Council had considered the risk and were entitled to accept the risk regarding the recommendations set out in Appendix A: Action Plan of the Audit Findings for Torbay Council.

68. Performance and Risk Report August and September 2016

The Policy, Performance and Review Manager informed Members that the Senior Leadership Team had requested the Assistant Director of Community and Customer Services to review the 'numbers on the housing waiting list by Band A' and 'numbers on the housing waiting list by Band B' performance indicators as both were recorded as being well above target.

Members were also informed that the Senior Leadership Team were monitoring 'residual household waste per household'. Members queried whether this rise was linked to the problem with TOR2 having to sort waste at the depot rather than at the curb side. The Policy, Performance and Review Manager advised Members that the performance indicators were for the previous quarter with impact of TOR2's difficulties still to filter through.

Members were further informed that the Senior Leadership Team considered it appropriate for the 'reduction of police funding and possible cost shunt to the council' to remain as a high risk as police reductions could still impact upon the Council.

Members referred to the 'Promoting Healthy Lifestyles' performance indicators and how these indicators could assist Members when considering the budget proposals for 2017/18 as the indicators show that Torbay is performing less favourable than national norms. Members requested these performance indicators also be drawn to wider Members attention and included in the letter referred to in Minute 65 above.

Members noted that the 'risk of inadequate maintenance and repairs of our council assets due to reducing budgets', was listed as high on the risk register with an impact score of '4-major' was also an area that would be subject to a budget reduction. Members requested this also be drawn to Members attention and included in the letter referred to in Minute 65 above.

69. The Annual Audit Letter for Torbay Council

Members noted the Annual Audit Letter for Torbay Council, provided by Grant Thornton the Council's external auditors. Members were informed that the Annual Audit Letter summarises the key findings arising from the work that Grant Thornton had carried out at Torbay Council for the year ended 31 March 2016.

Alex Walling, Engagement Lead for Grant Thornton informed Members that following work on the Council's financial statements they provided an unqualified opinion on 28 July 2016, a credit to the Finance Team as the timetable was a week earlier than in 2014/15 enabling an early audit start date of 6 June 2016.

Alex also advised Members that they had issued a qualified value for money conclusion having been satisfied that the Council had put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2016 except for the matters reported in the Ofsted report on the Council's Children's Services issued in January 2016. Having concluded that these matters were weaknesses in proper arrangements for understanding and using appropriate and reliable financial and performance management information to support informed decision making and performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities. Therefore a qualified value for money conclusion was issued on 28 July 2016.

70. Audit Committee Update for Torbay Council

Members noted the report that detailed progress Grant Thornton had made in delivering their responsibilities as the Council's external auditor.

71. External Audit Appointment Update

Members received a verbal report from the Chief Finance Officer, Members were advised that an invitation to join the Public Sector Audit Appointments Limited (PSAA) had been received. If the PSAA was the preferred method a decision by full council would be required, Members noted that the wider Devon authorities were joining PSAA. If the Council made their own appointment the decision would rest with the Chief Finance Officer following a procurement exercise. The Chief Finance Officer advised that a further report would be presented in January 2017.

Chairman/woman