



## **Minutes of the Audit Committee**

**22 May 2018**

**-: Present :-**

Councillor Tyerman (Chairman)

Councillors Brooks, Long, Morey, Barnby and Thomas (D)

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

Councillor Tyerman was elected Chairman for the 2018/2019 Municipal Year.

### **135. Appointment of Vice-Chairman**

Councillor O'Dwyer was appointed Vice-Chairman for the 2018/2019 Municipal Year.

### **136. 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 Councillors Brooks and Thomas (D) instead of Councillors Bent and O'Dwyer.

### **137. Minutes**

The Minutes of the meeting of the Audit Committee held on 21 March 2018 were confirmed as a correct record and signed by the Chairman.

### **138. Audit Committee Terms of Reference**

Members noted the Audit Committee's Terms of Reference.

### **139. Annual Governance Statement 2017/2018**

Members considered the draft Annual Governance Statement which provides the opportunity for the Council 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.

Members were informed that the statement is wide ranging and sets out publicly the extent to which the Council complies with its own code of corporate governance, including how it monitored and evaluated the effectiveness of its governance arrangements in the year and any planned changes in the coming year.

Resolved:

- i) that the draft Annual Governance Statement for 2017/2018 be agreed and forwarded to the External Auditors for comment.
- ii) that the final Annual Governance Statement be presented to the Audit Committee when it considers the Statement of Accounts.

#### **140. Treasury Management Outturn Report**

Members noted a report that informs them of the performance of the Treasury Management function in supporting the provision of Council services in 2017/18 through management of cash flow, debt and investment operations and the effective control of the associated risks.

The Chief Finance Officer informed members that amongst other things the report explained that;

- New borrowing of £124 million has been taken to fund the Capital Investment Fund;
- There was a reduction in the overall average borrowing rate to 3.40%;
- The annual investment rate achieved exceeded the market benchmark; and
- There was increased investment in the CCLA Local Authorities Property Fund.

Members requested that an additional column called 'remaining years on loan' be added to the table in paragraph 12.1 and that a memorandum be added under the table on page 37, defining 'clarifying costs as a proportion of net revenue stream'.

#### **141. Annual Audit Report 2017-18**

The Committee noted the Annual Audit Plan for 2017/18. The Head of the Devon Audit Partnership informed Members that the report set out the background to audit service provision, a review of work undertaken to date in 2017/18, and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

Members were also advised that the annual report provided an opinion that can be used by the organisation to inform its governance statement. Members noted that overall, based on work performed to date during 2017/18 and Internal Audit's experience from previous years', the Head of Internal Audit's opinion was of 'significant assurance' on the adequacy and effectiveness of the majority of the Authority's internal control framework. The exceptions to this are Public Health and Children's Services where opinions are of 'limited assurance'. Members were advised that engagement with these service areas had greatly improved, as shown in the overall direction of travel.

Members noted that a report on Spatial Planning – Development and Planning was at the draft stage but requested the Executive Head of Assets and Business Services be invited to the Audit Committee to address any questions raised when the Committee considers the Internal Audit – Half Year Report.

**142. Corporate Performance Report Q4**

Members noted the Corporate Performance Report for quarter 4. Members paid particular attention to indicators relating to customer feedback such as the number of Stage 1 complaints dealt with on time. Members were advised that the number of Stage 1 complaints dealt with on time had dropped from 80% to 54% despite the Senior Leadership Team increasing the response time from 10 days to 15 days. Members noted that the number of complaints had not significantly changed however officers were having to balance delivering a service against the need to respond to complaints. Therefore whether the deadline for response was extended or reduced officers would be presented with the same issue. Therefore the Senior Leadership Team had decided that the deadline for response would revert back to previous timescales that required a response within 10 days.

Members challenged whether the Member Case Work System was contributing to the pressures placed on officers and believed that a set of FAQs would aid members so that they could respond to queries from constituents and copy the response to the Information Compliance Team thereby still enabling intelligence to be gathered.

Members noted there had been an increase in the indicator for 'delayed transfer of care from hospital' and requested that the Director of Adult Services be requested to attend a future meeting of the Audit Committee.

**143. Planned Audit Fee for 2018/19**

Members noted the 2018/19 Planned 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.

Members noted that there was approximately a £25,000 reduction in the fee for 2018/19.

**144. Audit Progress Report and Sector Update**

The Committee noted a report that provided an overview of the planned scope and timing of the statutory audit of the Council and details of sector publications that may be of interest to Audit Committee Members.

**145. Whistleblowing Complaints**

Members noted the report and exempt appendix.