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At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **12th** day of **March 2019** at **2.00pm**

Present: Cllr M Davies (Chairman)

Cllr K Ball
Cllr W G Cann OBE
Cllr B Lamb
Cllr L Watts

Officers in attendance:

Section 151 Officer
Internal Auditor Manager
External Auditor
Specialist Accountant
Specialist – Democratic Services
Senior Case Officer –Democratic Services

Also in attendance: Cllr C Edmonds (lead Hub Committee Member) and Cllr G Parker

*** AC 34 CONFIRMATION OF MINUTES**

The Minutes of the Committee Meeting held on 22 January 2019 were confirmed and signed by the Chairman as a correct record.

*** AC 35 AUDIT PROGRESS REPORT AND SECTOR UPDATE**

The External Auditor took Members through the report. Officers had been on site for 2 weeks looking at financial systems and the control environment and found delivery was on track. Concern was raised by Members that a decrease in audit fee could affect quality. The external audit partner confirmed that there would be no reduction or compromise on quality and the earlier deadlines would be achieved through working smarter and ongoing dialogue through the year. More work would also be carried out at the Interim Audit.

It was then **RESOLVED** that:

The report be noted

*** AC 36 GRANT THORNTON'S EXTERNAL AUDIT COMMITMENT**

The External Auditor took Members through the External Audit Commitment. There were no questions or issues raised from Members.

It was then **RESOLVED** that:

The report was noted

*** AC 37 DRAFT BUDGET BOOK 2019/20**

Cllr Edmonds introduced the Draft Budget Book 2019/20. There was a 2% pay award on all salaries. Answering a Member question the S151 officer confirmed the £50,000 saving on public toilets was on the rural toilets and that an update report was going to be presented to Council on 26 March 2019 on both Okehampton and Tavistock toilets and some of the rural toilet provision.

A question was asked around the projected reduction of housing benefit payments (from £11.8m to £8.2m) and the S151 Officer confirmed that this was due to the projected reduction in housing benefit caseload from Universal Credit.

There was also a question asked about the cost of running Kilworthy Park and why the figure in the budget book of £289,000 was higher than the figure provided at the Informal Council meeting. The S151 Officer explained that the figure contained with the Budget Book included £42,000 for Capital Charges (which is akin to a notional depreciation charge for the building) and therefore the Budget Book figure was higher as the figure mentioned at Informal Council only included direct costs and not indirect (notional costs such as depreciation).

It was then **RESOLVED** that:

The content of the draft Budget Book was noted

AC 38 REVIEW OF THE COUNCIL'S CONSTITUTION: RULES OF PROCEDURE, MEMBERS' PLANNING CODE OF PRACTICE AND PETITION SCHEME

Cllr Edmonds introduced the review of the Council's Constitution. It was confirmed that the report had previously been presented to the Audit Committee on 22 January 2019, but prior to presentation to Council it was confirmed that further revisions were required.

Those revisions had now been made and a revised set of Procedure Rules were attached as appendices. Members were generally supportive of the Procedure Rules, however there were queries raised regarding the Hub Committee Procedure Rules. Members discussed the working of the Hub Committee and the role of Hub Committee Members in more detail. It was then **PROPOSED**, **SECONDED** and on being put to the vote declared **CARRIED**, that an additional recommendation be included to request the Political Structures Working Group be convened to review the workings of the Hub Committee.

It was then **RESOLVED** that:

The Audit Committee RECOMMEND to council that:

1. The amendments to Part 4 (Rules of Procedure) of the West Devon Borough Council's Constitution (as summarised in paragraph 2.5 of the report and fully outlined at Appendix A) be approved and formally adopted;
2. The draft Members' Code of Good Practice – Planning (as attached at appendix B) be adopted;
3. The amendment Rules for the Petition Scheme (as attached at appendix C); and;
4. The Political Structures Working Group be convened with the following Terms of Reference:
 - a) To review the roles of Hub Committee Members (paying particular attention to the circulation of information, and communication with wider membership)
 - b) To assess the circumstances in which Informal Hub meetings take place in private
 - c) To look at the involvement of non Hub Members in the deliberations of Hub Committee, (to include how to best make use of non members expertise)
 - d) To review the extent of delegation to the Hub Committee

AC 39 DEVON AUDIT PARTNERSHIP - NON - VOTING PARTNER

Cllr Edmonds introduced members to the report. It was confirmed that a recommendation would be made to Council to join the Devon Audit Partnership as a non-voting partner.

A discussion arose as to whether there would be a conflict of interest when the internal audit service was procured. It was agreed that the S151 officer would seek advice from the procurement officer and Monitoring officer.

It was then **RESOLVED** that:

Council be RECOMMENDED to:

1. join the Devon Audit Partnership as a Non-voting partner from 1st April 2019 (or as soon as is reasonably practicable thereafter); and
2. delegate the details of the Service Legal Agreement (including terms of reference) to the Monitoring Officer and S151 Officer, in consultation with a Hub Committee Member for Support Services and the Chairman of the Audit Committee.

***AC 40 2019/20 INTERNAL AUDIT PLAN**

The internal auditor presented the Internal Audit Plan to members. It was noted that Plymouth City Council paid for the audit of the Joint Local Plan. Use of Social Media by officers and members was being reviewed and whether the policies in place were being followed.

It was then RESOLVED that:

1. the report was approved, and
2. The proposed Internal Audit Plan for 2019/20 at Appendix A was approved

*** AC 41 UPDATE ON PROGRESS ON THE 2018/19 INTERNAL AUDIT PLAN**

The internal auditor introduced the update on progress on the 2018/19 Internal Audit plan. No questions were raised.

It was then RESOLVED that:

The progress made against the 2018/19 internal audit plan, and any issues arising was approved.

***AC42 SHARED SERVICES METHODOLOGY 2018/19**

Cllr Edmonds introduced the Shared Services Methodology 2018/19.

It was then RESOLVED that:

The Audit Committee noted the methodology of the shared services apportionment of costs between West Devon Borough Council and South Hams District Council, as attached in Appendix A

AC43 STRATEGIC RISK & OPPORTUNITY MONITORING –REGULAR UPDATE

The S151 Officer took members through the report. Members thanked the finance team for their hard work.

It was then Resolved that:

The Audit Committee reviewed the strategic risk & opportunity register (see Appendix 1a &b) and made recommendations to Council on any Further action the Committee concluded should be considered.

(The Meeting terminated at 3.45 pm)

Dated this

Chairman