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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 **25th** day of **June 2019** at **2.00pm**

Present:

- Cllr M Davies (Chairman)
- Cllr P Vachon (Vice Chair)
- Cllr A Bridgewater
- Cllr P Crozier
- Cllr S Hipsey
- Cllr Mark Renders
- Cllr J Yelland

Officers in attendance:

- Section 151 Officer
- Internal Auditor Manager
- External Auditor
- Head of Finance Practice
- Senior Case Manager –Democratic Services
- Monitoring Officer

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

*** AC 1 CONFIRMATION OF MINUTES**

The Minutes of the Committee Meeting held on 12 March 2019 were confirmed and signed by the Chairman as a correct record.

*** AC 2 GRANT THORNTON AUDIT PROGRESS REPORT**

The External Auditor took members through the report.

It was then **RESOLVED** that:

The report be noted

*** AC 3 GRANT THORNTON AUDIT PLAN**

The External Auditor took Members through the External Audit Plan. He highlighted to the committee the significant risks and the mitigations in place. The S151 Officer responded to a member question around risk of pressure in the early closedown stating measures are taken to ensure the timetable is met.

It was then **RESOLVED** that:

The report was noted

*** AC 4**

GRANT THORNTON EXTERNAL AUDIT FEE LETTER

The External Auditor presented the external audit letter to the Committee.

It was then **RESOLVED** that:

The content of the letter be noted

***AC 5**

DRAFT STATEMENT OF ACCOUNTS 2018/19 AND DRAFT ANNUAL GOVERNANCE STATEMENT 2018/19

The Lead Member for Performance & Resources introduced the report to the committee. It was confirmed that the limit of the Council's exposure on the SW Mutual Bank was for the £49,995 purchase of shares. There was one question around Serveco and the S151 Officer confirmed that there would be a recommendation from officers to close the dormant company.

A member highlighted that the link within the Accounts to the Members' allowances note needed updating.

Regarding the Pensions note to the Accounts (Page 129 of the agenda), a Member noted that the share in Overseas equities had increased from 37% (in March 2018) to 43% in March 2019 and the share in UK equities had fallen from 22% (in March 2018) to 17% in March 2019. The S151 Officer confirmed that the Pensions Fund was administered by Devon County Council and the Pensions Committee of DCC set the Strategy for Investment.

A member asked for confirmation that the £89,000 underspend for the 2018/19 financial year went into the Unearmarked Reserves. The S151 Officer confirmed this was correct and that Unearmarked Reserves at 31.3.2019 stood at £1.286 million. A further question was asked by the Member if the Council could also consider setting an Upper Limit for Unearmarked Reserves as well as a Minimum Limit. The S151 Officer confirmed that this could be incorporated as a recommendation within the Medium Term Financial Strategy (MTFS) which Members would consider in September 2019.

In response to a question, the Head of Finance Practice confirmed that de-minimis was a 'minimum' level, with items below that value not considered.

With regards to the CCLA Investment, it was confirmed that a yearly evaluation on the CCLA Property Fund would take place and this followed a discussion around IFRS9 and to elect to present in other comprehensive income, changes in fair values of all equity investments including the CLLA investment

The Lead Officer for Performance and Resources thanked the finance team for all their hard work. The Chair seconded the vote of thanks.

It was then **RESOLVED** that:

1. The Draft Statement of Accounts and the Draft Annual Governance Statement (AGS) for the financial year ended 31 March 2019 were noted.
2. The Committee elected to present in other comprehensive income changes in fair value of all equity instruments including The CCLA investment in accordance with IFRS 9 – Financial Instruments with effect from 1 April 2018
3. It was noted that delegated authority had been exercised by the Section 151 Officer to transfer £30,000 of additional planning income received in 2018/19 to the Joint Local Plan Earmarked Reserve.

***AC 6 ANNUAL REPORT OF THE STATUTORY OFFICER PANEL 2018/19**

The Lead Member for Performance & Resources introduced the report to the committee. The Monitoring Officer gave feedback on the Peer Review and Induction Scheme.

It was then **RESOLVED** that:

The Annual Report of the Statutory Officers' Panel be noted

***AC 7 INTERNAL AUDIT REPORT 2018/19**

The Lead Member for Performance & Resources introduced the report to the committee. A discussion took place as to tree inspections and the level of training given for such inspections. Good progress was being made on S106 agreements with a shared S106 Officer post now being in place.

It was then **RESOLVED** that:

1. The Audit Committee noted that overall and based on work performed during 2018/19, and that of our experience from previous year's audit, the Head of Internal Audit's Opinion is of "Substantial Assurance" on the adequacy and effectiveness of the Authority's internal control network.
2. Members noted the satisfactory performance and achievements of the Internal Audit Team during 2018/19

*** AC 8 PROPOSED COMMITTEE WORKPLAN FOR THE 2019/20 FINANCIAL YEAR**

The Workplan was introduced by the S151 Officer.

(The Meeting terminated at 3.10 pm)

Dated this

Chairman