

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 6 FEBRUARY 2020**

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|---|-------------------------------|---|---------------------|
| Members in attendance * Denotes attendance ∅ Denotes apology for absence | | | |
| * | Cllr L Austen (Vice-Chairman) | * | Cllr J T Pennington |
| * | Cllr J Brazil | * | Cllr B Spencer |
| * | Cllr T R Holway (Chairman) | ∅ | Cllr B Taylor |
| * | Cllr J McKay | | |

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| Members also in attendance: |
| Cllrs H D Bastone, J D Hawkins and N A Hopwood |

| Item No | Minute Ref No below refers | Officers and Visitors in attendance |
|----------------|-----------------------------------|---|
| All Items | | Section 151 Officer; Finance HOP Lead; Internal Audit Manager; Senior Specialist – Democratic Services; and Grant Thornton Audit Manager. |

A.30/19 MINUTES

The minutes of the meeting of the Committee held on 7 November 2019 were confirmed as a correct record and signed by the Chairman.

A.31/19 URGENT BUSINESS

The Chairman advised that he had no urgent items to be raised at this meeting.

A.32/19 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting, but none were made.

A.33/19 GRANT THORNTON AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Committee considered a paper from Grant Thornton that provided a progress update on delivering their responsibilities as the Council's External Auditors.

In discussion, the following points were raised:

- (a) The Committee noted that a new Engagement Lead had been appointed for the Council and officers were scheduled to meet the new Lead in the upcoming weeks;
- (b) With regard to their Audit work for the Council, the Grant Thornton Audit Manager advised that the External Audit Plan for 2019/20 would now be presented to the next Committee meeting on 26 March 2020;
- (c) When questioned, the Grant Thornton Audit Manager gave an assurance to the Committee that their Annual Audit Report would be completed before the end of July 2020;
- (d) It was noted that the increased Audit Fees that the Council was required to pay were as a consequence of additional requirements being placed on External Auditors through changing auditing standards;
- (e) Some Members expressed their interest in the 'Sustainable Growth Index Report' that had been produced by Grant Thornton. In particular, some surprise was expressed at some of the findings (e.g. that the South Hams ranked only 290th out of 324 local authority areas for prosperity) and Members felt that there was a need to understand the data and methodology that underpinned this Report.

It was then:

RESOLVED

That the contents of the Grant Thornton Audit Progress Report and Sector Update be acknowledged.

A.34/19

ACTUARIAL PENSION POSITION

The Committee considered a report that presented the results (as at 31 March 2019) of the Triennial Revaluation of the Pension Fund.

Whilst the Committee recognised that the report was to be welcomed, a Member did highlight that, in light of the high degree of financial uncertainty, a degree of caution should still be exercised.

It was then:

RESOLVED

That the contents of the Annual Audit Letter for 2018/19 be noted.

A.35/19 UPDATE ON PROGRESS ON THE 2019/20 INTERNAL AUDIT PLAN

A report was considered that informed the Committee of the principal activities and findings of the Council's Internal Audit service for 2019/20 to 31 December 2019 by:

- Showing the progress made by Internal Audit against the 2019/20 Annual Internal Audit Plan (as approved by the Committee in March 2019); and
- Highlighting any revisions to the 2019/20 Internal Audit Plan.

In debate, the following points were raised:-

- (a) It was noted that the Risk Management audit was to be deferred pending the outcome of an extensive review into the Council's approach to Risk Management that was being led by the Director of Governance and Assurance;
- (b) With regard to the 'Insurance – Review of Cover' Audit, Members felt that the potential of joining a Local Government Mutual was an interesting concept that merited further consideration.

It was then:

RESOLVED

That the progress made against (and any key issues arising on) the 2019/20 Internal Audit Plan be noted and approved.

A.36/19 PROPOSED COMMITTEE WORKPLAN FOR THE 2019/20 FINANCIAL YEAR

In considering the Annual Committee Workplan for the remainder of the 2019/20 Financial Year, reference was made to:

- the need to add the 'Grant Thornton External Audit Plan' agenda item to the next Committee meeting agenda on 26 March 2020 (Minute A.33/19 above refers); and
- a request for an additional item to be included on the Committee agenda for 25 June 2020 meeting entitled: 'Devon Audit Partnership – Service and Offer'.

(Meeting commenced at 2.00 pm and concluded at 3.00 pm)

Chairman