

At a Meeting of the **AUDIT COMMITTEE**, held remotely by Teams, on
TUESDAY the **6th** day of **April 2021** at **2.00pm**

Present:
Cllr M Davies (Chairman)
Cllr P Vachon (Vice Chair)
Cllr A Bridgewater
Cllr M Renders
Cllr P Ridgers
Cllr J Yelland

Officers in attendance:
Section 151 Officer
External Auditor
Audit Manager
Senior Specialist – Finance
Senior Specialist - Benefits
Senior Case Officer – Democratic Services
Specialist – Democratic Services
Specialist – IT

Also in attendance: Cllrs P Crozier; C Edmonds; N Heyworth; and P Kimber;

***AC 26** **DECLARATION OF INTEREST**
Members were invited to declare any interests in the items of business to be considered and none were made.

***AC 27** **ITEMS REQUIRING URGENT ATTENTION**
There were no items requiring urgent attention raised by the Chairman.

***AC 28** **CONFIRMATION OF MINUTES**
The Minutes of the Committee Meeting held on 9 February 2021 were confirmed as a correct record.

***AC 29** **AUDIT PROGRESS REPORT AND SECTOR UPDATE (YEAR ENDING 31 MARCH 2021)**
The Auditor from Grant Thornton took Members through the report on progress in the delivery of auditing by the external auditors and confirmed a detailed audit plan would be brought to the next Committee meeting. The External Auditor also updated Members on the new Code of Audit Practice which came into force on 1st April 2020 applicable to the current audit year 2020/21, including changes to the Value for Money work.

It was then **RESOLVED** that the report be noted.

***AC 30** **INFORMING THE AUDIT RISK ASSESSMENT FOR THE 2020/21 FINANCIAL STATEMENTS**
The Auditor from Grant Thornton introduced the report to the Committee.

The purpose of this report was to contribute towards the effective two-way communication between West Devon Borough Council's external auditors and West Devon Borough Council's Audit Committee, as 'those charged with governance'. The report covered some important areas of the auditor risk assessment where the external auditors were required to make inquiries of the Audit Committee under auditing standards.

It was noted that in the final paragraph on page 4 of the published agenda report it should read West Devon Borough Council (WDBC) and not South Hams District Council (SHDC) as stated. In the agenda papers, the bottom of page 38 had two points missing: numbers 9 and 10 so the Section 151 Officer shared her screen and went through these two missing points. The same thing was done for depreciation in Appendix A.

During questions it was confirmed that, in certain instances, the Council used external solicitors when specialist advice was required, eg community housing schemes, or some planning queries. External solicitors could also be called upon when there was insufficient capacity in-house.

It was then **RESOLVED** that:

The Treasury Management Mid-Year Review report be endorsed.

***AC 31 INTERNAL AUDIT PROGRESS REPORT 2020/21**

The Lead Hub Member for Resources and Performance then presented Members with the Internal Audit Progress Report 2020/21. The purpose of the report was to inform Members of the principle activities and findings of the Council's Internal Audit team for 2020/21 to 19th March 2021.

The Audit Manager then updated Members on the impact that the Covid pandemic had had on the year's internal audit plan. He clarified that the report listed items for WDBC, some for SHDC, and some shared items. Signing off the report only applied to those items which involved WDBC.

Following a question from the Chair, it was confirmed that the building maintenance works scheduling audit had not been completed and would be kept under review. It was also confirmed that the external review of insurance cover had been impacted by the pandemic resourcing and that recommendations and actions would be picked up as soon as possible, including a new document looking at future procurement of insurance.

It was **RESOLVED** that:

The progress made against the 2020/21 internal audit plan, and any key issues arising, was noted and approved.

***AC 32 INTERNAL AUDIT PLAN REPORT 2021/22**

The Lead Hub Member for Resources and Performance then introduced Members to the proposed internal audit plan for 2021/22. He confirmed that the plan may change if the pandemic continued to impact on resources.

Further to a question from a Member, the Audit Manager confirmed that allocated days lost due to Covid would not be carried forward to the following year, ie 2021/22.

It was **RESOLVED** that:

1. The report be approved, and
2. The proposed Internal Audit Plan for 2021/22 at Appendix A of the attendant report be approved.

***AC 33 SHARED SERVICES METHODOLOGY 2020/21**

The Lead Hub Member for Resources and Performance then presented the report to Members which looked at the methodology for the apportionment of costs (predominantly staffing costs) between West Devon Borough Council (WDBC) and South Hams District Council (SHDC) as set out in the attendant Appendix. The split of costs reflected the level of caseload which was attributable to each Council's individual service.

The Section 151 Officer then outlined how adjustments were made, for example the increase in costs to SHDC as a result of the extra work carried out on the introduction of their new waste service.

It was then **RESOLVED** that the Committee:

Note the methodology of the shared services apportionment of costs between West Devon Borough Council and South Hams District Council for 2020/21, as attached in Appendix A of the attendant report.

***AC 34 SUNDRY DEBT**

The Lead Hub Member for Resources and Performance presented the report to Members. The report gave an update on the position of Sundry Debts and Housing Benefit Overpayments up to 28 February 2021.

The Senior Benefits Specialist then gave an overview of how overpayments were dealt with by the Council. Following a question from a Member, the Officer agreed to confirm the actual amount of overpayments written off by the Council.

Following a discussion it was agreed that the possibility of re-introducing targets for debt should be added to a future agenda for review. However, the significant decrease in sundry debt over the past few years

was noted (Sundry debt in 2017 noted as £935,000) and overpayments should continue to decline as more claimants moved over to Universal Credit, but that this transfer was controlled by Central Government and the Department of Works and Pensions.

The Committee thanked the Officer and her team for the hard work in reducing the level of debt and the quality of work outlined in both the internal and external audits.

It was then **RESOLVED** that:

The Audit Committee note the position in relation to Sundry Debt.

***AC 35 BUDGET BOOK 2021/22**

The Lead Hub Member for Resources and Performance then gave a report to Members which set out the Council's Revenue Budget for the year into the four Directorates of Customer Service and Delivery, Place and Enterprise, Governance and Assurance, and Strategic Finance.

Following a question from the Chair, the Section 151 Officer explained that the income target for Housing Benefit payments had decreased as there would be fewer overpayments being created due to the Department of Works and Pension now dealing in real time referrals. This was noted as a national situation.

It was then **RESOLVED** that:

The Audit Committee note the content of the Budget Book for 2021/22.

(The Meeting terminated at 3.05pm)

Dated this

Chairman