

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD VIA TEAMS ON THURSDAY, 8 APRIL 2021**

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		

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

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Section 151 Officer; Director of Place and Enterprise; Monitoring Officer; Head of Strategy and Projects; Senior Specialist – Finance; Senior Specialist – Benefits; Democratic Services Specialist; Internal Audit Manager; and Grant Thornton Representative

A.26/20 MINUTES

The minutes of the Audit Committee meeting held on 4 February 2021 were confirmed as a true and correct record.

A.27/20 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.28/20 AUDIT PROGRESS REPORT AND SECTOR UPDATE (YEAR ENDING 31 MARCH 2021)

The Grant Thornton Representative gave the update, outlining latest Central Government changes to how audits were to be reported, including changes to the value for money reporting. The Benefits subsidy claim had been completed and certified within time limits, with one of the cleanest and shortest audits he had worked on this year. The DWP had not come back with any queries nor comments. The planned audit approach for 2021 was outlined, with the plan to be brought to the next Committee meeting. The impact of the Covid pandemic on audit was noted.

A.29/20 **INFORMING THE AUDIT RISK ASSESSMENT FOR THE 2020/21 FINANCIAL STATEMENTS**

The Grant Thornton Representative updated the Committee. It was noted that there was a legal requirement to ask a number of questions to management, and this document set out those questions and detailed management responses.

Following a question from a Member, the Section 151 Officer confirmed that valuation of the Council's assets was anticipated to be finalised by the end of April, which would then highlight if the Pandemic had impacted on asset values. With regards to the Investments in the CCLA funds, the Section 151 Officer confirmed that as these were long term strategic investments (five years minimum), and therefore there would be a lesser impact as the assets are held for the long term.

A.30/20 **UPDATE ON PROGRESS OF THE 2020/21 INTERNAL AUDIT PLAN**

The Leader introduced the second progress report for 2020/21 which set out the principle activities and findings of the Council's Internal Audit team for 2020/21 up to 19th March 2021. The Internal Audit Manager clarified that although the Audit Report listed all audits, with the majority shared across South Hams District and West Devon Borough Councils, some were exclusive to individual Councils, and therefore approval was only required on those items impacting on South Hams District Council.

Following questions from Members, the Internal Audit Manager confirmed that the full report would be presented to the next Committee meeting.

It was then:

RESOLVED

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

A.31/20 **2021/22 INTERNAL AUDIT PLAN**

The Leader presented a report which sought to provide Members the opportunity to review and comment upon the proposed internal audit plan for 2021/22. Due to the impact of the Covid pandemic some audits were not achieved in 2020/21 and would now roll into the 2021/22 Plan.

It was then:

RECOMMENDED

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.

A.32/20 SHARED SERVICES METHODOLOGY 2020/21

The Lead Executive Member for Operational Finance presented the annual report which reviewed costs. He confirmed that the split was reviewed annually and covered the methodology used to arrive at the split. Most calculations remained the same, but the Member highlighted the increase in waste charges to South Hams District Council reflecting the increased resources required to implement the new waste service to the District. There had been a slight decrease in the charges relating to Planning.

The methodology for the apportionment of costs (predominantly staffing costs) between South Hams District Council and West Devon Borough Council was set out in the attached Appendix. The staffing costs of a particular service team were split on a defined basis as set out. The split of costs reflected the level of caseload which was attributable to each Council's individual service.

It was then:

RESOLVED

That the methodology of the shared services apportionment of costs between South Hams District Council and West Devon Borough Council for 2020/21, (as attached in Appendix A of the presented agenda report) be noted.

A.33/20 SUNDRY DEBT

The Lead Executive Member for Operational Finance presented the report on sundry debt, which looked at housing benefit overpayments. It was confirmed that the recovery procedures were now active again following a temporary short term suspension due to the Covid pandemic.

The Senior Specialist for Benefits then gave a presentation to the Committee on housing benefits overpayment and the methodology used in recovering these debts. The officer was thanked for the thorough explanation.

It was then:

RESOLVED

That the position in relation to Sundry Debt be noted.

A.34/20 BUDGET BOOK

The Lead Executive Member for Operational Finance presented the annual report which set out the annual budget, split between four directorates (Place and Enterprise; Strategic Finance; Customer Service and Delivery; and Governance and Assurance). The report provided a clear audit trail of all cost pressures and savings that had been agreed as part of the 2021/22 budget process.

The Member outlined an error in the published agenda report (page 109 refers), under customer service budget, item 25 (Senior Leadership Team) and item 26 (Extended Leadership Team). Both of these should have been listed to the current Chief Executive and not his predecessor as had been published.

There were no questions nor comments. A Member remarked that the lack of questions and comments was a direct consequence of the excellent job done by the finance team, the internal audit team, and the external auditors. The Chair asked for the Committee's thanks to be passed to these teams.

It was then:

RESOLVED

That the content of the Budget Book for 2021/22 be noted.

(Meeting commenced at 10.00 am and concluded at 11.02 am)

Chairman