At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the 30th day of January 2018 at 10.00am

**Present:**
Cllr M Davies (Chairman)
Cllr K Ball
Cllr B Stephens
Cllr B Lamb

**Officers in attendance:**
Section 151 Officer
Internal Audit Manager
Darren Gilbert KPMG
Senior Case Officer, Strategy & Commissioning

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

* **AC 21** APOLOGIES FOR ABSENCE
Apologies for absence were received from Cllr Cann and Cllr Watts

* **AC 22** CONFIRMATION OF MINUTES
The Minutes of the Meeting held on 19 September 2017 were confirmed and signed by the Chairman as a correct record.

* **AC 23** KPMG ANNUAL AUDIT LETTER AND CLOSURE OF THE AUDIT LETTER;
Mr Gilbert explained that there was nothing to add from the previous Audit meeting when the Annual Audit Letter and Closure of the Audit Letter was presented. He outlined the two areas of risk were shared costs and the pension scheme and controls were in place to address these. The Committee thanked the Finance Team for their work.

It was then **RESOLVED** that:

The KPMG Annual Audit Letter and Closure of the Audit Letter be noted.

* **AC 24** KPMG CERTIFICATE OF CLAIMS AND RETURNS – ANNUAL REPORT 2016/17
Mr Gilbert gave an unqualified report which he stated was very rare. He said it was a fantastic outcome for West Devon and South Hams. He reported that both Councils were his only clients to receive an unqualified report.

The Committee passed its thanks to the Housing Benefits team.
It was then **RESOLVED** that

The KPMG Certificate of Claims and Returns – Annual Report be noted.

**AC 25  KPMG EXTERNAL AUDIT PLAN 2017/18**
Mr Gilbert outlined the risk areas as property and equipment and pensions. External experts were used to evaluate property and equipment. Faster closure of accounts meant an accelerated timetable. End of May to publish draft Accounts and end of July to publish audited accounts.

There would be more risk as a greater use of estimates would have to be made, but there were plans in place to deal with them.

The Audit certificate could be delayed as this is the first year of the end of July deadline for audited accounts.

It was then:

**RESOLVED** that the KPMG External Plan 2017/18 be noted.

**AC26  UPDATE ON THE APPOINTMENT OF THE EXTERNAL AUDITOR FOR 2018/19**
It was clarified that Grant Thornton had been appointed as External Auditors for 2018/19. Steve Johnson was likely to been assigned as the Audit Manager.

It was then:

**RESOLVED**

That the update on the Appointment of the External Auditor for 2018/19 be noted.

**AC 27  UPDATE ON PROGRESS OF THE 2017/18 INTERNAL AUDIT PLAN**
The Chief Internal Auditor gave an update on the progress of the Internal Audit Plan. He reported 13 days lost through sickness would be backfilled and time deferred into the 2018/2019 plan. Referring to the Grounds Maintenance and Health & Safety audits he said positive action was taking place.

Weaknesses in Business continuity were being addressed and findings would be emailed to the Chairman.

It was then:

**RESOLVED**

That the Progress made against the 2017/18 internal audit plan and any key issues arising be approved.
*AC 28  TREASURY MANAGEMENT MID-YEAR REVIEW
Cllr Edmonds took Members through the report.

The Council’s current counterparty limit was £3 million and it was likely that this would be requested to be increased to £4 million in the 2018/19 Treasury Management Strategy. The Council would also look to widen its counterparty list.

It was then:

RESOLVED

That the contents of the report be endorsed.

*AC 29  CYBER SECURITY – VERBAL UPDATE
(Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting on the grounds that exempt information is likely to be disclosed as defined in Paragraph 1 of Schedule 12(A) to the Act).

In response to a Member request, the Senior Specialist – ICT (Information Security) was in attendance to provide an exempt and informative update on the Council’s approach to cyber security.

After receiving a comprehensive update, the Committee was reassured and very pleased with the work that was being undertaken by officers to protect the Council against potential cyber attacks.

(The Meeting terminated at 11.30am)

Dated this

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Chairman