

At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the 5th day of **July 2016** at **2.00pm**

Present: Cllr M Davies (Chairman)

Cllr B Stephens Cllr N Jory
Cllr L Watts

Officers in attendance: Finance Community of Practice Lead
Monitoring Officer and COP Lead, Legal
Case Manager, Strategy & Commissioning
Business Development Group Manager
Adam Bunting, KPMG
Rob Hutchins and Brenda Davis, Devon
Internal Audit Partnership

Also in attendance: Cllrs C Edmonds and A F Leech

***AC 1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr J B Moody

***AC 2 CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 15 March 2016 were confirmed and signed by the Chairman as a correct record.

***AC 3 INTERIM AUDIT REPORT 2015/16**

Mr Bunting, of KPMG took Members through the Interim Audit report 2015/16. In presenting the report Mr Bunting commented that the report was highly positive and that the controls over the finance system were sound and effective.

In reply to a question raised by a Member in regard to the allocation of shared costs, Mr Bunting said judgement would be used and where there was any doubt, concerns would be raised to both councils.

Following the presentation, Members had no further issues to raise and without further discussion, it was **RESOLVED** that the report be noted.

***AC 4 ANNUAL AUDIT FEE 2016/17**

Mr Bunting presented the Annual Audit Fee 2016/17 to the Committee.

Following the presentation, Members had no issues to raise and without further discussion, it was **RESOLVED** that the report be noted.

***AC 5 LOCAL AUTHORITY CORPORATE RISK REGISTER ANALYSIS**

Mr Bunting took Members through the report.

Following the presentation, Members had no issues to raise. It was then **RESOLVED** that the report be noted.

***AC 6**

ANNUAL GOVERNANCE STATEMENT 2015/16

Cllr Edmonds took Members through the Annual Governance Statement for 2015/16.

The S151 Officer explained that the council was in the safety net position for Business Rates within the Devon Business Rate Pool due to the increase in the provision for the level of appeals.

In response to a Member question, the S151 Officer said that she was in dialogue with KPMG in regard to the Referendum result and would look to add a line when publishing the accounts to disclose a non-adjusting event. However, there was no immediate threat to the Council's finances.

Following a request, the S151 Officer outlined the proposed use of £215,000 of unused New Homes Bonus funding to fund transitional Temporary staffing resources.

It was then **RESOLVED** that:

1. The Processes adopted for the production of the 2015/16 Annual Governance Statement are noted.
2. The adequacy and effectiveness of the system of internal audit is endorsed.
3. Members consider the draft Annual Governance Statement (AGS) for 2015/16 and the supporting evidence provided by this report and that the AGS is approved prior to the signature by the Leader and Executive Director (Strategy and Commissioning).

***AC 7**

INTERNAL AUDIT ANNUAL REPORT 2015/16

Mrs Davis, Devon Internal Audit Partnership took Members through the Internal Audit Report 2015/16.

In response to Member questions, Mrs Davis confirmed that it was her understanding that backlogs in workload were due to staff changes and ICT not being delivered to the initial timescale.

The S151 officer added that a Benefits Manager was now in place and would address the time delays in checks and reviews of the benefits system.

It was then **RESOLVED** that:

1. The Audit Committee noted that overall and based on work performed during 2015/16, and that of our experience from previous year's audit, the Head of Internal Audit's Opinion is of "significant Assurance" on the adequacy and effectiveness of the Authority's Internal control framework.
2. Members noted the satisfactory performance and achievements of the Internal Audit Team during 2015/16.

***AC 8**

APPOINTMENT OF EXTERNAL AUDITORS

Mr Hutchins, Devon Internal Audit Partnership took Members through the report.

Discussions took place on all options including a sector-led body, appointing the authority's own local auditor and the possibility of rolling forward with the current auditor to see how the markets settled down and put out to tender at a later stage.

In response to a Member question, Mr Hutchins confirmed that the majority of organisations were looking at using a sector-led body.

It was then **RESOLVED** that:

1. The Audit Committee note the implications of the Local Audit & Accountability Act 2014 and the requirement for the Council to appoint a local auditor by 31 December 2017.
2. A decision will be required as to whether West Devon either opts in to a sector-led body or decides to appoint its own local auditor (and if so, which further option is then selected).

AC 9

UPDATE ON ANTI-FRAUD, CORRUPTION AND BRIBERY POLICY AND STRATEGY, ANTI MONEY LAUNDERING POLICY AND CONFIDENTIAL REPORTING POLICY

Cllr Edmonds took Members through each of the respective Policies.

Since no questions were raised, it was then **RECOMMENDED** that the Council adopts the following reviewed policies and documents:-

- a) Anti-fraud, Corruption and Bribery Policy & Strategy (Appendix A refers);
- b) Anti-fraud, Corruption and Bribery Response Plan (Appendix B refers);
- c) Anti-money Laundering Policy Procedures and Guidance for Staff (Appendix C refers);
- d) Anti-money Laundering Policy (Appendix D refers);
- e) Confidential Reporting Policy (Appendix E refers); and
- f) Confidential Reporting Policy Frequently Asked Questions (Appendix F refers).

(The Meeting terminated at 3.03 pm)

Dated this

Chairman