

At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **20th** day of **March 2018** at **2.00pm**

Present: Cllr M Davies (Chairman)

Cllr W G Cann OBE
Cllr B Lamb
Cllr B Stephens
Cllr L Watts

Officers in attendance:

Group Manager: Customer First and Support Services;
Section 151 Officer;
Group Manager: Business Development;
Case Management Manager;
Internal Audit Manager;
Acting COP Lead Legal; and
Senior Specialist – Democratic Services

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

* **AC 30** **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs K Ball and L J G Hockridge

* **AC 31** **CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 30 January 2018 were confirmed and signed by the Chairman as a correct record.

* **AC 32** **KPMG ANNUAL AUDIT FEE 2017/18 (ADDENDUM – CONFIRMATION OF CERTIFICATION FEES)**

On behalf of KPMG, the Section 151 Officer presented the Addendum that confirmed the proposed Fee being recommended for the certification of the Housing Benefit claim for the 2017/18 Financial Year at the Council.

With effect from next year, the Section 151 Officer advised that the Council had the ability to choose its own auditor to undertake its audit requirements on Housing Benefit claims and a decision on a future provider would be taken on a value for money basis.

It was then **RESOLVED** that:

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

*** AC 33 KPMG WEST DEVON BOROUGH COUNCIL – AUDIT PROGRESS**

The Committee was presented with a progress update from KPMG that confirmed that the organisation had completed its planning and interim audit work in line with the timetable set out in its detailed External Audit Plan 2017-18 dated January 2018.

It was then **RESOLVED** that:

The Committee note the contents of the progress update.

AC 34 2018/19 TREASURY MANAGEMENT STRATEGY

A report was considered by the Committee that sought to recommend approval of the 2018/19 Treasury Management and Investment Strategies together with their associated prudential indicators.

In discussion, reference was made to the Council's Counterparty List. The Section 151 Officer confirmed that, in the event of the Council supporting the proposal to increase the risk factor, this would result in the Council being able to invest its monies in additional banks and building societies. As an assurance, the Committee was advised that the proposals were consistent with the majority of local authorities and it was anticipated that this would result in an increased yield being received by the Council on its Treasury Management activities.

It was then:

RECOMMENDED

That the Council be **RECOMMENDED** to approve:-

1. The prudential indicators and limits for 2018/19 to 2020/21 (as contained within Appendix A of the presented agenda report);
2. The Minimum Revenue Provision (MRP) statement contained within Appendix A of the presented agenda report (NB. this sets out the Council's Policy on MRP);
3. The Treasury Management Strategy 2018/19 and the treasury prudential indicators 2018/19 to 2020/21 (as outlined within Appendix B of the presented agenda report); and
4. The Investment Strategy 2018/19 (as outlined at Appendix C of the presented agenda report) and the detailed criteria included in Appendix D of the presented agenda report and the counter party list (as detailed at Appendix E of the presented agenda report).

*** AC 35 BUDGET BOOK 2018/19**

The Committee considered a report that presented a copy of the Council's Budget Book for 2018/19.

In discussion, reference was made to:-

- (a) Case Management. It was noted that Case Management had its own Cost Centre Code due to the function being generic and working across several disciplines;

- (b) Housing Benefit Payments. Officers confirmed that an approximate 1.5% of the total payments was a residual cost borne by the Council;
- (c) Electoral Registration. In reply to a question, the Committee was informed that costs were recovered from central government at the point of an Election being held.

It was then:

RESOLVED

That the content of the Budget Book for 2018/19 be noted.

*** AC 36 SHARED SERVICES METHODOLOGY 2017/18**

Members considered the annual report that set out the methodology and mechanisms that were being used to calculate the cost allocations between the Council and South Hams District Council.

In line with the requirement for a faster closedown of the financial year end process, the Section 151 Officer advised that this report had been calculated on nine months' worth of data.

It was then:

RESOLVED

That the methodology of the shared services apportionment of costs between West Devon Borough Council and South Hams District Council (as outlined at Appendix A of the presented agenda report) be noted.

*** AC 37 SUNDRY DEBT UPDATE REPORT**

The Committee considered a report that sought to inform Members of the process adopted by the Council to recover outstanding sundry debt. The report also provided an update on the position of Sundry Debt Recovery since the creation of the Debt Recovery Unit on 1 October 2017.

In discussion, the following points were raised:

- (a) Whilst debts were written-off, officers stressed that the Unit did continue to pursue their recovery;
- (b) The Committee congratulated the Case Management Manager for the excellent work being undertaken in this respect and emphasised the importance of the Debt Recovery Unit maintaining the momentum that it had now gained.

It was then:

RESOLVED

That the progress made in monitoring and administering Sundry Debt Collection be noted.

*** AC 38 2018/19 INTERNAL AUDIT PLAN**

A report was considered that provided Members with the opportunity to review and comment upon the proposed Internal Audit Plan for 2018/19.

In discussion, the following points were raised:-

- (a) The Committee noted that one of the Council's Internal Audit Officers had recently suffered a serious accident and Members proceeded to ask that their best wishes be passed on for a speedy recovery. The Internal Audit Manager advised Members that the Devon Audit Partnership was currently looking at methods of potentially backfilling the service during this period of absence;
- (b) As a living document, it was confirmed that the Plan was constantly under review and updated, revised and amended if deemed appropriate.

It was then:

RESOLVED

1. That the report be approved; and
2. That the proposed Internal Audit Plan for 2018/19 (as outlined at Appendix A of the presented agenda report) be approved.

*** AC 39 STRATEGIC RISK ASSESSMENT – REGULAR UPDATE**

The Committee considered a report that presented an updated assessment of the Council's strategic risks.

In discussion, reference was made to:-

- (a) the scores. Members recognised that the scoring mechanism was an entirely subjective assessment;
- (b) the recent snow emergencies. The Committee wished to record its gratitude to officers for still being able to provide a good service during the recent snow emergencies.

It was then:

RESOLVED

That the Committee has reviewed the strategic risks and been given the opportunity to make comments.

AC 40 ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION

Consideration was given to a report that sought to recommend approval of the revisions to Parts 1, 2 and 3 of the Council Constitution.

In discussion, the following points were raised:-

- (a) The Committee recognised the importance of a Members' Code of Planning Practice being drafted and introduced;
- (b) A Member was of the view that a number of the Job Titles that were established through the Transformation Programme were confusing and not easily understandable for members of the public;
- (c) Members were informed that the procedure rules that underpinned the Public Participation Scheme for Development Management and Licensing Committee meetings did not apply for Licensing Sub-Committee meetings. As a result, it was felt that Part 2, Article 3: '*Citizens and the Council*' should be updated to include Citizens rights to attend and participate at Licensing Sub-Committee meetings;
- (d) A Member questioned the constitutional methods that could result in External Agencies being called to account by the Council. In response, officers confirmed that the two main methods were either for an invite to be sent to attend a future Overview and Scrutiny Committee meeting or for a Member to submit a Motion to a future Council meeting.

It was then:

RECOMMENDED

That the Council be **RECOMMENDED** that:

1. The amendments to Parts 1, 2 and 3 of the West Devon Borough Council Constitution (as summarised in paragraph 2.7 of the presented agenda report and fully outlined on the Council website) be approved and formally adopted at the Annual Council meeting on 22 May 2018, subject to Part 2, Article 3: '*Citizens and the Council*' being updated to include Citizens rights to attend and participate at Licensing Sub-Committee meetings; and
2. A Members' Code of Planning Practice be drafted and presented for approval as soon as is practically possible.

(The Meeting terminated at 3.20pm)

Dated this

Chairman