

At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **9th** day of **October 2018** at **2.00pm**

Present: Cllr M Davies (Chairman)

Cllr K Ball
Cllr B Lamb

Officers in attendance:

Section 151 Officer
Internal Auditor Manager
Group Manager Business Development
COP Lead Assets
Specialist – Democratic Services

Investment Manager – Peninsula Pensions
Engagement Lead – Grant Thornton
Audit Manager – Grant Thornton

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

* **AC 13** **APOLOGIES FOR ABSENCE**
Apologies for absence were received from Cllrs W Cann OBE, J Hockridge, B Stephens and L Watts.

* **AC 14** **CONFIRMATION OF MINUTES**
The Minutes of the Committee Meeting held on 24 July 2018 were confirmed and signed by the Chairman as a correct record.

* **AC 15** **PRESENTATION ON THE PENSION FUND ADMINISTERED BY DEVON COUNTY COUNCIL**
The Committee received a presentation from the Investment Manager Peninsula Pensions setting out the latest position of the pension fund.

Following the detailed presentation, the Investment Manager responded to questions and the s151 Officer outlined the background to the current position.

* **AC 16** **KPMG ANNUAL AUDIT LETTER 2017/18**
Members were presented with the Annual Audit Letter 2017/18. The s151 Officer explained that the letter was a shortened version of the final report, and that the letter confirmed that there were no concerns over risks and the Accounts had been completed before the end of July in line with government requirements.

It was then **RESOLVED** that:

The Annual Audit letter 2017/18 be noted.

*** AC 17 KPMG AUDIT CLOSURE LETTER**

The s151 Officer confirmed that the Closure Letter was a procedural matter.

It was then **RESOLVED** that:

The Audit Closure letter be noted.

*** AC 18 GRANT THORNTON – AUDIT PROGRESS REPORT AND SECTOR UPDATE**

The Engagement Lead presented the report, and took Members through each section. She advised Members of her intention to present a report to each Committee meeting. In respect of the Audit Deliverables section, the Fee Letter had been issued in April and would be presented to the next meeting of the Audit Committee. The second part of the report would cover Emerging Issues.

It was then **RESOLVED** that:

The Audit Progress Report and Sector Update be noted.

*** AC 19 INTERNAL AUDIT CHARTER AND STRATEGY 2018/19**

The Internal Audit Manager presented a report, the purpose of which was to allow the Audit Committee to review and comment upon the Internal Audit Charter and Strategy for 2018/19.

Internal audit management was provided by the Devon Audit Partnership via a contracted arrangement. The standards for proper practice for internal audit were contained in the Public Sector Internal Audit Standards. Both the Charter and Strategy complied with the mandatory requirements of the Public Sector Internal Audit Standards.

There being no further comment, it was then **RESOLVED** that the Internal Audit Charter and Strategy 2018/19 be approved.

*** AC 20 UPDATE ON PROGRESS ON THE 2018/19 INTERNAL AUDIT PLAN REVIEW OF FINANCE PROCEDURE RULES**

The Internal Audit Manager presented a report that set out to inform Members of the principle activities and findings of the Council's Internal Audit team for 2018/19 to 14 September 2018 by:

- Showing the progress made by Internal Audit against the 2018/19 annual Internal Audit Plan, as approved by the Audit Committee in March 2018; and
- Highlighting any revisions to the 2018/19 Internal Audit Plan.

It was then **RESOLVED** that the progress made against the 2018/19 Internal Audit Plan, and any key issues arising, be approved.

*** AC 21 SIX MONTHLY UPDATE – STRATEGIC RISK ASSESSMENT**

The Group Manager Business Development presented a report that set out the required six monthly update to Members, including the current corporate strategic risk assessment and a summary of the management and mitigating actions to address the identified risks. Appendix 3 to the report contained a revised Risk and Opportunity Management Strategy 2013. Members were being asked to approve this document.

The Group Manager Business Development responded to questions.

It was then **RESOLVED** that Council be **RECOMMENDED** that:

1. The strategic risks (Appendix 1) had been reviewed and that no further action should be considered;
2. The Risk & Opportunity Management Strategy (Appendix 3) be adopted; and
3. The Joint Management Policy 2012 and the Joint Risk Management Strategy 2013 be rescinded.

*** AC 22 COMMERCIAL INVESTMENT PROPERTY – UPDATE AND MONITORING REPORT**

The COP Lead Assets presented a report that set out the performance and risks associated with the commercial property portfolio, arising from the Commercial Property Acquisition Strategy. The Strategy had envisaged an upper borrowing limit of £75m, but in light of external advice sought by the s151 officer, the Strategy was updated with a capped borrowing limit of £50m made up of a blend of in area development and out of area investments.

The COP Lead Assets updated Members with detail on the purchases made so far, and confirmed that they were a mix of tenants and sectors.

It was then **RESOLVED** that the performance and risks of the commercial property portfolio to date be noted.

*** AC 23 SUNDRY DEBT**

The Lead Member for Performance and Resources presented a report that provided Members with a further update of the position in respect of progress in monitoring and administering the recovery of Sundry Debts.

During discussion, Members agreed that the Lead Member and the debt recovery team should be congratulated on progress.

It was then **RESOLVED** that the progress made in monitoring and administering the recovery of Sundry Debts be noted.

*** AC 24 AUDIT COMMITTEE WORK PROGRAMME 2018/19**

The Chairman confirmed that the External Audit Fee Letter would be added to the agenda for the January 2019 meeting, and noted that the agenda for the March meeting was already full. The External Audit Plan would be presented to the January 2019 meeting rather than March 2019.

(The Meeting terminated at 3.00 pm)

Dated this

Chairman