

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD VIA TEAMS ON THURSDAY, 4 FEBRUARY 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, K Kemp, J A Pearce and R Rowe	

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Chief Executive, Section 151 Officer; Director of Governance and Assurance; Monitoring Officer; Head of Finance; Head of Strategy and Projects; Democratic Services Manager; Internal Audit Manager; and Grant Thornton Representative

A.18/20 MINUTES

The minutes of the Audit Committee meeting held on 15 October 2020 were confirmed as a true and correct record.

Whilst not disputing the accuracy of the minutes, a Member made reference to the discussions on the Audit Committee Workplan (Minute A.17/20 refers) and reiterated the wish of the Committee to receive an update on the risks associated with the Leisure Contract at its next meeting to be held on 11 March 2021.

A.19/20 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.20/20 CHAIRMAN'S ANNOUNCEMENT

The Chairman highlighted that this was the first Committee meeting since Mr Steve Johnson (Grant Thornton Audit Manager) had retired. The Chairman paid tribute to the service that Mr Johnson had provided to the Council and, on behalf of the Committee, wished him well in his retirement.

A.21/20 GRANT THORNTON – ANNUAL AUDIT LETTER

Consideration was given to the Annual Audit Letter that had been produced by Grant Thornton that summarised the key findings arising from the work that had been carried out by the organisation at the Council for the year ended 31 March 2020.

The Committee noted that the Letter was intended to provide a commentary on the results of the work undertaken by Grant Thornton to the Council and its external stakeholders. The Letter also sought to highlight issues that should be brought to the attention of the public.

In discussion, a number of Members expressed their concerns over the proposed additional audit fees. Whilst acknowledging the comments of the Grant Thornton representative with regard to the recent Redmond Review and the increased requirements that had been imposed on External Auditors, some Members still struggled to see the justification and felt that a near 50% increase in Fees was lamentable. As a result, Members asked that the representative relay their concerns to the Senior Management Team at Grant Thornton.

It was then:

RESOLVED

That the contents of the Grant Thornton – Annual Audit Letter be noted and the concerns of the Committee over the increase in Audit Fees be relayed to the Senior Management Team at Grant Thornton.

A.22/20 TREASURY MANAGEMENT MID-YEAR REVIEW

Members considered a report that presented a mid-year review of the Council's Treasury Management activities. In particular, the report highlighted that the Council had outperformed the industry benchmark by 0.19%.

In discussion, reference was made to:-

- (a) the summary of the Council's debt position. To support the content of the tables in the presented agenda report, it was agreed that an additional column would be included in the future that set out when each Public Works Loan Board loan had been taken out by the Council. In addition, it was also agreed that the comparative Public Works Loan Board Interest Rate figures over the last two years would be circulated to Committee Members outside of the meeting;

- (b) the apparent slippages in the Capital Programme. It was agreed that, as part of the Commercial Property Monitoring Report that was to be considered by the Committee at its next meeting on 11 March 2021, the future project list (and when monies were due to be spent on these projects) should be included.

It was then:

RESOLVED

That the contents of the report be noted.

A.23/20

UPDATE ON PROGRESS ON THE 2020/21 INTERNAL AUDIT PLAN

A report was considered that sought to inform Members of the principal activities and findings of the Council's Internal Audit Team for 2020/21 to 8 January 2021 by:

- showing the progress made by Internal Audit against the 2020/21 annual Internal Audit Plan (as approved by Council in April 2020); and
- highlighting any revisions to the 2020/21 Internal Audit Plan.

In discussion, the following points were raised:-

- (a) It was noted that the audit work required on the South Devon Coastal Local Action Group (LAG) and the Greater Dartmoor Local Enterprise Action Fund (LEAF) should be completed once the programmes had concluded towards the end of 2021;
- (b) With regard to the audit on the Salcombe Whitestrand project, Members reiterated the audit findings whereby there were future improvements to be made in relation to both project management and governance;
- (c) A Member asked that, as part of the 2021/22 Internal Audit Plan, a review be undertaken into the recent solar farm project. In response, officers advised that it was intended that this would be undertaken during 2021/22 as part of a wider audit into the Council's Commercial Investment Strategy.

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.24/20 **SUNDRY DEBT**

Consideration was given to a report that provided the Committee with an update on the position of Sundry Debt and Housing Benefit Overpayments up to 30 September 2020.

In discussion, reference was made to:

- (a) the processes that were followed to pursue Sundry Debt and Housing Benefit Overpayments. At the invitation of the Chairman, the Section 151 Officer outlined the processes that were followed for the pursuing of both Sundry Debts and Housing Benefit Overpayments. Having outlined these processes, at the request of the Committee, the Section 151 Officer committed to providing the following information to Members outside of this meeting:
- additional details on the types of Debts and the terms of repayment;
 - the latest Housing Benefit Overpayment figures;
 - the use of external Debt Collectors by the Council; and
 - additional details in relation to where Debts were both written-off and collected;
- (b) changes in circumstances. A Member cited a personal account whereby she had experienced a change in circumstances that had impacted upon her Housing Benefits. Despite immediately informing the Council of her change in circumstances, she had continued to be in receipt of Housing Benefits. As a consequence, the Member questioned how frequent such instances were and the Section 151 Officer committed to look into this matter with colleagues outside of the meeting.

It was then:

RESOLVED

That the position in relation to Sundry Debt be noted.

A.25/20 **REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000 UPDATE**

Consideration was given to a report that provided an update on Regulation of Investigatory Powers Act (RIPA) activity within the previous twelve months and the outcome of a recent inspection by the Investigatory Powers Commissioner's Office, including the Councils Action Plan for addressing the findings.

In discussion, the ability of the Council to use drone technology to investigate planning enforcement cases was questioned. In reply, the Monitoring Officer informed that a Magistrate would not grant the Council the necessary licence to be able to operate a drone for the purpose of investigating planning enforcement cases.

It was then:

RESOLVED

1. That the report of the Investigatory Power Commissioners Office (as set out at Appendix A of the presented agenda report) be welcomed; and
2. That it be acknowledged that there have been no RIPA Authorisations since the last report was presented to Members (in 2018).

(Meeting commenced at 10.00 am and concluded at 11.25 am)

Chairman