

At a Meeting of the re-scheduled **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **21st** day of **MARCH 2017** at **9.00am**

Present: Cllr M Davies (Chairman)

Cllr J Yelland

Cllr W Cann

Officers in attendance: Finance Community of Practice Lead
(S151 Officer)
Devon Internal Audit Partnership Manager
Deputy Monitoring Officer
Case Manager, Strategy & Commissioning

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

***AC 28 APOLOGIES FOR ABSENCE**

Apologies were received from Cllr J Moody, Cllr B Stephens, Cllr L Watts and Cllr N Jory

***AC 29 CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 10 January 2017 were confirmed and signed by the Chairman as a correct record.

***AC 30 KPMG ANNUAL GRANT CERTIFICATE LETTER**

(Note: KPMG representatives attended the scheduled committee meeting date on 14 March. However due to this meeting being inquorate the meeting was not able to proceed.

A short informal meeting proceeded whereby KPMG representatives gave an overview of the Annual Grant Certificate Letter as they were not able to attend the rescheduled meeting date on 21 March.

Darren Gilbert from KPMG gave a synopsis of the Annual Grant Certificate Letter and External Audit Plan. Darren explained the methodology of applying an unqualified opinion on the Housing Benefit Subsidy claim and stated that the Council was in a positive place in this regard. He added that not to have any issues on the Housing Benefit Subsidy claim was a fantastic outcome. On page 19 of the agenda, Mr Gilbert explained the risks requiring specific audit attention which would be looked at as part of the Value for Money audit. These were T18 being embedded and Delivery of Savings Plans. With the LACC not proceeding in planned form, KPMG will await to see what process will happen moving forward.

The Committee agreed the notes that were taken at this meeting:

It was then:

RESOLVED

That the informal meeting notes (as outlined in italics above) and the Annual Grant Certificate Letter be noted.

***AC 31 KPMG – EXTERNAL AUDIT PLAN**

The S151 Officer took Members through the External Audit Plan. Pensions and shared costs between the Council and South Hams District Council were two specific areas which KPMG would look at as part of the Audit of the Accounts for 2016-17.

Costs were split on the basis of the activity and the S151 Officer gave an example with benefit claims, where costs were split based on the ration of the number of benefit claims processed for each Council.

The number of benefit claims processed was higher in South Hams so the costs were shared accordingly. KPMG review the formulae used by officers to determine the spilt of costs and report on this process to Members in their audit report.

It was then:

RESOLVED

That the KPMG External Audit Plan be noted.

AC 32 2017/18 TREASURY MANAGEMENT STRATEGY

The lead Hub Committee Member introduced the report. The S151 Officer explained that the Councils borrowing needs focussed on the Leisure centres and waste contract vehicles. In answer to a Member question the S151 Officer confirmed that the vehicles would be purchased rather than leased.

It was then:

RESOLVED

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

1. The prudential indicators and limits for 2017/18 to 2019/20 contained within Appendix A of the report;
2. The Minimum Revenue Provision (MRP) statement contained within Appendix A which sets out the Council's policy on MRP;
3. The Treasury Management Strategy 2017/18 and the treasury prudential indicators 2017/18 to 2019/20 contained within Appendix B; and
4. The Investment Strategy 2017/18 Appendix C and the detailed criteria included in Appendix D.

***AC 33 2017/18 INTERNAL AUDIT PLAN**

The Devon Internal Audit Partnership Manager took Members through the Internal Audit Plan.

It was then:

RESOLVED

1. The report be noted, and
2. The proposed Internal Audit Plan for 2017/18 at Appendix A be approved.

AC 34

REVIEW OF COUNCIL CONSTITUTION

Cllr Edmonds took Members through the annual review of the Council Constitution. It was agreed that the limit of asset disposals and acquisitions that were delegated to the Assets CoP Lead in consultation with the Lead Member for Assets and the S151 Officer be increased from £50,000 to £150,000, with any acquisitions and disposals above those limits being referred to the Hub Committee for approval.

It was then:

RESOLVED that the Audit Committee:

1. Delegate to the Monitoring Officer any further amendments to the Contract Procedure Rules as a result of consultation with the Corporate Procurement Officer.
2. **RECOMMENDS** to Council that the amendments to the West Devon Borough Council Constitution (as summarised in Paragraph 2 of the report and fully outlined on the website) be approved and the revised Constitution is adopted at the Annual Meeting in May 2017. The recommendations to Council includes the amendment recommended by the Audit Committee that:-
 - The limit of asset disposals and acquisitions that are delegated to the Assets CoP Lead in consultation with the Lead Member for Assets and the S151 Officer be increased from £50,000 to £150,000, with any acquisitions and disposals above those limits being referred to the Hub Committee for approval.

***AC 35**

STRATEGIC RISK ASSESSMENT –REGULAR UPDATE

The S151 Officer took Members through the Internal Audit Plan, highlighting the areas of most risk on the Risk Register. The S151 officer reported that the Council had the opportunity to be part of a Business Rate pilot scheme in 2018/19 and confirmed she was in dialogue with other Devon authorities in this regard and expressed the positives of taking part. She confirmed there was a meeting of Devon S151 Officers in June where this was being discussed and to analyse some initial modelling to see if this would be financially beneficial and of no financial detriment to Authorities in Devon. A recommendation on whether to apply to the Government to become a business rates pilot would be presented to Members in the summer.

It was then:

RESOLVED

The Committee reviewed the strategic risks.

(The Meeting terminated at 9.50am)

Dated this

Chairman