

At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **19th** day of **September 2017** at **2.00pm**

Present: Cllr M Davies (Chairman)

Cllr K Ball
Cllr B Stephens
Cllr B Lamb

Cllr W Cann OBE
Cllr L Watts

Officers in attendance: Executive Director –Service Delivery and Commercial Development
Chief Internal Auditor

Business Development Group Manager
Section 151 Officer
Finance COP Lead
Adam Bunting KPMG
Darren Gilbert KPMG

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

*** AC 12 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Hockridge.

*** AC 13 CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 18 July 2017 were confirmed and signed by the Chairman as a correct record.

*** AC 14 KPMG EXTERNAL AUDIT REPORT 2016/17**

Mr Bunting & Mr Gilbert presented the External Audit Report to the committee. KPMG confirmed that they did not identify and audit adjustments on the Draft Accounts and they anticipate issuing an unqualified opinion on the Council's Accounts before 30 September 2017. For the year ending 31 March 2017, the Accounts reported an underspend of £70,000 in the General Fund during the year.

KPMG confirmed their conclusions (Page 12 of the agenda) in relation to the allocation of shared costs between West Devon and South Hams. Their report stated that:-

- They had reviewed the basis of allocation of shared costs between West Devon and South Hams and had found this to be appropriate and reflect the nature of the activities involved.
- They had performed an analytical review of the staff recharges for 2016/17 as this expenditure results in over 90% of shared costs between the Councils. No issues were identified as a result of their work.

- They has also reviewed the shared services (non-salaries) and the costs had been reasonably apportioned between the two Councils. No issues were identified.

In summarising Mr Bunting gave an unqualified opinion. He also stated that KPMG anticipated issuing an unqualified value for money opinion. The Chairman acknowledged the hard work from the S151 officer and the finance team. The Chairman was also thanked for his work from a member of the committee.

It was then **RESOLVED** that

The External Audit report from KPMG be noted.

*** AC 15 KPMG: ROLE OF EXTERNAL AUDIT**

Mr Bunting gave the committee an overview of the role of the external auditors. He went on to explain that they looked for value for money and that procedures and processes were in place.

***AC16 ANNUAL STATEMENT OF ACCOUNTS 2016/17**

The S151 Officer took Members through the Annual Statement of Accounts 2016/17. It was noted by the Audit Committee that these were the same Accounts that the Audit Committee reviewed at their July 2017 meeting (the Draft Accounts) and had already gone through. There had been no changes (except minor presentational changes) to the draft Accounts presented. With no further questions raised;

It was then:

RESOLVED that

1. The wording of the Letter of Representation be approved (Appendix A)
2. The audited Statement of Accounts for the financial year ended 31 March 2017 be approved (Appendix B)
3. The Annual Governance Statement post audit (Appendix C); be approved by Members

***AC17 CONSULTATION ON AUDITOR APPOINTMENT FROM 2018/19**

Members were taken through the consultation of the appointment of Grant Thornton to audit the accounts of West Devon Borough Council from 1 April 2018 for a period of 5 years. It was reported that it was hoped there would be a fee reduction. Fee would be known by March 2018.

It was then:

RESOLVED

To accept the proposed appointment of Grant Thornton (UK) LLP to audit the Accounts of West Devon Borough Council for five years from 2018/19.

***AC18 SIX MONTHLY UPDATE – STRATEGIC RISK ASSESSMENT**

The Business Development Group Manager took Members through the Strategic Risk Assessment Update. A mini closedown in September and another in December would produce a faster closedown at year end. This is needed due to the closedown of 17/18 accounts being brought forward 4 weeks to end of May 2018.

It was then:

RECOMMENDED that

The Committee review the strategic risks and make recommendations to Council on any further action the Committee concludes should be considered.

***AC19 INTERNAL AUDIT CHARTER AND STRATEGY 2017/18**

The Chief Internal Auditor took members through the Internal Audit Charter.

It was then:

RECOMMENDED that

The Committee review and approve the Internal Audit Charter and Strategy 2017/18

***AC20 UPDATE ON PROGRESS ON THE 2017/18 INTERNAL AUDIT PLAN
(Includes update on Strategic Debt Review)**

The Chief Internal Auditor updated the Committee on the progress of the 2017/18 internal Audit Plan. It was reported that nine days of Audit time had been lost due to sickness. It was suggested that either a reduction in plan or a buy in of the days would cover this.

It was then:

RECOMMENDED that

The progress made against the 2017/18 internal audit plan, and any key issues arising are approved.

(The Meeting terminated at 3.10pm)

Dated this

Chairman