

NORTH DEVON COUNCIL

Minutes of a meeting of the AUDIT COMMITTEE held at the Civic Centre, Barnstaple on Tuesday 3rd March 2015 at 6.00 p.m.

PRESENT: Members:

Councillor Bradford (Chairman)

Councillors Harrison, Haywood, Hockin and Ley.

Officers:

Chief Executive, Head of Legal Services (KM), Head of Financial Services (JT) and Corporate and Community Administrator (KD).

Also present:

Mr J. Micklewright - MAZARS Public Sector Internal Audit Limited.

Mr M. Bartlett - Grant Thornton.

67 APOLOGIES

Apologies for absence were received from Councillors Chesters, Croft and Mrs L. Cave – Grant Thornton.

68 MINUTES

RESOLVED, that the minutes of the meeting held on 27th January 2015 (circulated previously) be approved as a correct record and signed by the Chairman.

69 DECLARATIONS OF INTEREST

There were no declarations of interest announced.

70 EXTERNAL AUDIT COMMITTEE UPDATE

The Committee considered a report by Grant Thornton (circulated previously) regarding the Audit Committee Update for North Devon Council.

The External Auditor provided an update in relation to the progress of the audit plan as at 19th February 2015. He advised that in 2013/14 the Audit Commission increased the audit fee for all district Councils by £900 this was to reflect the additional audit work that was required on material business rate retention balances. The audit fee for North Devon Council was £63,201. He further advised that there would not be a new audit fee letter for 2014/15 due to the non rise in the fee scale since 2013/14.

The External Auditor advised that Grant Thornton aimed to complete as much testing as possible in the interim audit to relieve pressure over the summer months; the interim accounts audit which was part of the External Audit Plan and would be considered by the Committee in June 2015. A risk assessment for the Value for Money conclusion had not yet been completed. Areas of focus would be the medium term financial planning and the development of a savings plan.

He advised that the annual final accounts workshop took place in February 2015 where North Devon Council was represented. He further advised that there would be Audit training provided jointly with Torridge District Council on 3rd June 2015.

The External Auditor informed the Committee of the 4th annual Governance Review for 2015 had now been published and was available on Grant Thornton's website. Hard copies were also available. He advised that a few case studies were from the South West including Plymouth, South Hams and West Devon.

RESOLVED:

- (a) that the report be noted; and
- (b) that the indicative certification fee set at £10,150 for 2014/15 be noted.
- (c) that the Head of Financial Services alongside External Auditors to consider producing an executive summary of the final accounts detailing the main headlines in the 'foreword' section of the accounts.

71 INTERNAL AUDIT PROGRESS REPORT

The Committee considered a report by MAZARS Public Sector Internal Audit Limited (circulated previously) regarding the Internal Audit Progress Report.

The Internal Auditor advised of the progress against the internal audit plan 2014/15. He also presented a brief summary of the following final reports all of which had been assigned substantial assurance levels:

Main Accounting System and Budgetary Control

The Internal Auditor advised that three priority three recommendations had been made regarding accountancy procedures. All recommendations had been accepted by management.

Creditors

The Internal Auditor advised that two priority two recommendations had been made regarding authenticity of new supplier details and quarterly review

changes to standing data. All recommendations had been accepted by management.

RESOLVED, that all the internal reports together with the management responses and the substantial assurance rating be noted.

72 DRAFT OPERATIONAL INTERNAL AUDIT PLAN

The Committee considered a report by MAZARS Public Sector Internal Audit Limited (circulated previously) regarding the Draft Operational Internal Audit Plan.

The Internal Auditor advised that he had met with the Senior Management Team (SMT) who considered the draft operational internal audit plan and made amendments. This was part of the strategy plan which had been approved three years ago.

He advised that Business Continuity Plans was new to the audit plan. SMT would have an input to review service continuity plans following the relocation out of the Civic Centre. He further advised that he would meet with the Head of Business Information Services to discuss the scope and contingency plans regarding Firewalls. The number of days allocated to this audit would be adapted.

RESOLVED, that the Draft Operational Internal Audit Plan be agreed.

73 AUDIT RECOMMENDATION TRACKER

The Committee considered a report by the Senior Projects Officer (circulated previously) regarding the Audit Recommendation Tracker.

The Head of Legal Services advised that due to the short timescale between the last meeting of the Committee some of the recommendation updates had not been included within the report.

He informed the Committee that there had been three further recommendations that had been completed in addition to the five set out in the report. Two were from Building Control (14 BC 01 & 14 BC 03) and the other was Payroll (14 P 02). He advised that the Crematorium Return (14 CR 01) was now at 80% completed not 25% as detailed in the report.

He updated the Committee on the Annual Governance Statement advising that '14 AGS 03 Complete the rewriting of the Constitution' would be complete subject to the Councils approval in March 2015. '13 AGS 03 Business Continuity' would be reviewed once all the office moves had been completed.

RESOLVED, that the actions and identified risks contained within the report be agreed.

74 WORK PROGRAMME 2014/15

The Committee considered the work programme (circulated previously).

RESOLVED:

- (a) that the work programme be noted; and
- (b) that the Audit Fee Letter, External Audit Plan, and Certification Plan be considered at the June 2015 meeting and that Annual Audit letter and Audit Letter of Representation be considered at the November 2015 meeting.

75 EXCLUSION OF PUBLIC AND PRESS AND RESTRICTION OF DOCUMENTS

RESOLVED :

- (a) That, under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item as it involved the likely disclosure of exempt information as defined by Paragraph 3 of Part 1 of Schedule 12A of the Act (as amended from time to time), namely information relating to the financial or business affairs of any particular person (including the authority holding that information).
- (b) That all documents and reports relating to the item be confirmed as "Not for Publication".

76 CORPORATE RISK REGISTER

The Committee considered a report by the Senior Project Officer (circulated previously) regarding the Corporate Risk Register.

The Committee discussed the main risks affecting the Council and asked questions in relation to the same.

RESOLVED, that the Corporate Risk Register as detailed in the report be noted.

Chairman

The meeting ended at 6.50 p.m.

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Committee.