

## AUDIT COMMITTEE

28 March 2017

Present:-

Councillors R Edgell (Chairman), C Clarence, A Hannan and B Hughes

- \* **23**      **Minutes**  
  
RESOLVED that the Minutes of the meeting held on 22 November 2016 be signed as a correct record.
- \* **24**      **Items Requiring Urgent Attention**  
  
There was no matter raised as a matter of urgency.
- \* **25**      **Highway Infrastructure Code (Minute \*70/22 September 2015)**  
  
The County Treasurer updated Members on the decision of the Chartered Institute of Public Finance and Accountancy (CIPFA) not to proceed with the introduction of the Highways Network Asset Code into the financial reporting requirements for local authorities as benefits were outweighed by the costs of implementation. Further consideration would only be given to the issue if clear evidence could be provided that benefits outweighed the costs for local authorities.
- \* **26**      **Devon County Council External Audit Plan**  
  
The Committee received the Report of Grant Thornton (CT/17/33) setting out the external auditors' audit plan covering 2016/17, including challenges and opportunities for the Council; developments relevant to the Council's business; materiality; significant risks; value for money; results of interim audit work; key dates for the audit work; and external auditors' fees.
- \* **27**      **Devon Pension Fund External Audit Plan**  
  
The Committee received the Report of Grant Thornton (CT/17/34) setting out the external audit plan covering 2016/17, including challenges and opportunities for the Council, wider developments relevant to the Council's business, significant risks, results of interim audit work, key dates for the audit work and the external auditors' fees.  
  
Members requested that, under the Audit Fees section on page 42, the items listed under *What is included within our fees* should reflect the layout in the Council's External Audit Plan.
- \* **28**      **External Audit Progress Report and Update**  
  
The Committee received the Report of Grant Thornton (CT/17/35) outlining the progress made in delivering their responsibilities as the Council's external auditors. The Report also included a summary of emerging national issues and developments that may be relevant to the Council.
- \* **29**      **Internal Audit Plan 2017/18**  
  
The Committee considered the Report of the County Treasurer (CT/17/27) outlining key challenges and opportunities arising from the Council's corporate goals and strategic risk registers, overview of audit coverage, core activity including coverage days, annual governance framework, proposed reviews and associated risks and deferred reviews.

It was **MOVED** by Councillor Clarence, **SECONDED** by Councillor Hannan and

**RESOLVED** that the Internal Audit Plan for 2017/18 be endorsed.

\* **30**      **Internal Audit Strategy 2017/18**

The Committee considered the Report of the County Treasurer (CT/17/29) and the accompanying Internal Audit Strategy, outlining the purpose, authority and principal responsibilities of the Council's internal audit service, provided by the Devon Audit Partnership. The Strategy had been produced to meet the requirements set by the Public Sector Internal Audit Standards.

It was **MOVED** by Councillor Clarence, **SECONDED** by Councillor Hannan and

**RESOLVED** that the Internal Audit Strategy for the year 2017/18 be endorsed.

\* **31**      **Internal Audit Charter 2017/18**

The Committee considered the Report of the County Treasurer (CT/17/28) and the accompanying Internal Audit Charter, outlining the purpose, authority and principal responsibilities of the Council's internal audit service, provided by the Devon Audit Partnership. The Charter had been produced to meet the requirements set of the Public Sector Internal Audit Standards.

It was **MOVED** by Councillor Hughes, **SECONDED** by Councillor Clarence and

**RESOLVED** that the Internal Audit Charter for the year 2017/18 be endorsed.

\* **32**      **Devon County Council - Control Environment**

The Committee received the Report of the County Treasurer (CT/17/30) on the yearly requirement of the Audit Committee and Section 151 Officer to respond to enquiries from the external auditors (Grant Thornton) regarding the overall control environment of the Council, with particular focus on the arrangements in place to ensure that the production of the financial statements were free of material error.

The Committee was required to authorise the accounts in September following careful consideration of the auditors' report. The letters, attached to the Report, from the Chairman and the Section 151 Officer set out the details of the control environment. An amended version of the Response from the Audit Committee Chairman was circulated at the meeting correcting some minor typographical errors.

It was **MOVED** by Councillor Hannan, **SECONDED** by Councillor B Hughes and

**RESOLVED**

(a) that the Report be noted and that the conclusion of the County Treasurer that the authority's accounts be prepared on a Going Concern basis be endorsed;

(b) that the letter from the Chairman to the external auditors (Grant Thornton) be endorsed.

\* **33**      **Admitting New Partners to the Devon Audit Partnership**

The Committee received the Report of the County Treasurer (CT/17/32) setting out the process for admission of new members to the Devon Audit Partnership.

\* 34 **Corporate Risk Management**

The Committee considered the Report of the Head of Services for Communities (CT/17/31) providing an update on risk management practice within the Council noting that the County Treasurer had now taken on the responsibility for Corporate Risk.

Members discussed the newly identified risks and those that had been archived or removed. There were several risk areas where the risk owner was incorrect and the County Treasurer undertook to work with service areas to update the register with the correct risk owners and to update the Committee further on the process of archiving.

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.00 pm and finished at 3.45 pm