

AUDIT COMMITTEE

23 March 2016

Present:-

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

Apologies:-

Councillors D Hannon

* **1** **Minutes**

RESOLVED that the Minutes of the meeting held on 19 November 2015 be signed as a correct record subject to the amendment of the fourth paragraph at Minute *73, by the addition of the word “materially”, to read:

Grant Thornton advised that some assets which had been written down to a value of zero had been investigated during the audit, but that this was mainly in relation to buildings which the Council were no longer delivering a service from, and that they were therefore satisfied that none of the Council’s assets were *materially* undervalued.

* **2** **Devon County Council External Audit Plan**

The Committee received the Report of Grant Thornton (CT/16/32)) setting out the external auditors’ audit plan covering 2015/16, 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.

The Committee discussed the Action Plan recommending payroll data be checked to ensure any changes made were valid and appropriate; also that all journal entries above £200k be reviewed and authorised by a separate individual.

* **3** **Devon Pension Fund External Audit Plan**

The Committee received the Report of Grant Thornton (CT/16/33) setting out the external audit plan covering 2015/16, 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.

* **4** **External Audit Progress Report and Update**

The Committee received the Report of Grant Thornton (CT/16/34) outlining the progress made in delivering their responsibilities as the Council’s external auditors. Planned completion for the audit was 31 August 2016.

* **5** **Internal Audit Plan 2016/17**

The Committee considered the Report of the County Treasurer (CT/16/28) 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.

In response to Members questions the Head of Devon Audit Partnership advised that the assessment of quality and performance for care homes was not within the audit's remit but was carried out independently by the Care Quality Commission.

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

RESOLVED that the Internal Audit Plan for 2016/17 be agreed.

* **6** **Internal Audit Strategy 2016/17**

The Committee considered the Report of the County Treasurer (CT/16/30) 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. A further external assessment is planned for completion in November 2016.

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

RESOLVED that the Internal Audit Strategy for the year 2016/17 be agreed.

* **7** **Internal Audit Charter 2016/17**

The Committee considered the Report of the County Treasurer (CT/16/31) 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. A further external assessment is planned for completion in November 2016.

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

RESOLVED that the Internal Audit Charter for the year 2016/17 be agreed.

* **8** **Devon County Council - Control Environment**

The Committee received the Report of the County Treasurer (CT/16/27) on the yearly requirement of the Audit Committee and s151 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.

It was **MOVED** by Councillor Berry, **SECONDED** by Councillor Clarence 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.

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Future Meetings

Members heard that Grant Thornton had requested that the Committee consider changing the date of its meeting in September 2016, to allow the Director to attend the meeting.

It was **MOVED** by Councillor Edgell., **SECONDED** by Councillor Berry and

RESOLVED that the September meeting take place on Wednesday 7 September 2016 at 10.30am.

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

The Meeting started at Time Not Specified and finished at Time Not Specified