

AUDIT COMMITTEE

29 July 2019

Present:-

Councillors J Clatworthy (Chair), I Hall (Vice-Chair), J Berry, J Brazil, R Peart, A Saywell and H Ackland

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Minutes

RESOLVED that the Minutes of the meeting held on 21st May 2019 be signed as a correct record.

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Items Requiring Urgent Attention

There was no item raised as a matter of urgency.

66

Doing What Matters Project

The members received a verbal update from the Head of Organisational Change and her team on the continued work of the County Council's transformation approach called Doing What Matters.

During discussion reference was made to the following:

- The programme is being rolled out across the organisation over the coming years.
- Local communities are very much part of the redesign process.
- Projects are underway in a diverse range of areas including in Highways, Corporate Workforce Development, Children's and Adult Services.
- Work that is underway to mitigate risks to the Local Authority.
- The potential for saving work time through this approach.
- The need to communicate Doing What Matters to all members, and the standing invite for councillors to G41 to get further information on the various projects the team are involved in.
- The potential for an Audit masterclass on Doing What Matters.

Members welcomed the presentation and noted the work being undertaken to drive organisational improvement but stated their desire for further information in the future.

It was **MOVED** by Councillor Clatworthy, **SECONDED** by Councillor Saywell, and;

RESOLVED that the progress of the Doing What Matters Team be noted and that a Masterclass be organised for the Audit Committee on the morning 27 February 2020.

67

Audit Findings Reports 2018/19

The Committee considered the Reports of Grant Thornton (CT/19/75) for Devon County Council and (CT/19/76) for Devon Pension Fund for 2018/19 setting out the findings arising from the audit of the County Council's financial statements, the work undertaken in relation to the value for money conclusion and the audit of the accounts of Devon Pension Fund

Grant Thornton delivered a presentation to Members that included an outline of materiality, audit risks and how those risks have been addressed.

The External Auditors concluded that Devon County Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Subject to outstanding queries being resolved they anticipated issuing unqualified audit opinions on the financial statements of the County Council and Devon Pension Fund.

It was **MOVED** by Councillor Clatworthy, **SECONDED** by Councillor Saywell, and;

RESOLVED that the Reports of Grant Thornton (CT/19/75), and (CT/19/76) outlining the findings arising from the audits of Devon County Council and the Devon Pension Fund for 2018/19 be noted.

68 **Statement of Accounts & Annual Governance Statement 2018/19**

The Committee considered the Report of the County Treasurer (CT/19/77) together with the Statement of Accounts booklet. The Report highlighted the key messages from the Statements of Accounts 2018/19 including, inter alia:

- the pension liability of just under £1,050 millions not representing an immediate call on the Authority's reserves and was a snap-shot valuation in time based on assumptions.
- earmarked reserves (excluding carry forwards and schools) have increased by £25.2 millions.
- no new borrowing had taken place the year with capital expenditure due to be met from borrowing being financed from internal resources.

Since the Audit Committee meeting on 21 May 2019, the Grant Thornton have reviewed the Annual Governance Statement and advised that two paragraphs regarding the "Doing What Matters" approach and the Annual Audit Letter were not relevant to a review of the Audit Committee and Devon Audit Partnership and should not be included.

It was **MOVED** by Councillor Clatworthy, **SECONDED** by Councillor Peart, and;

RESOLVED

- (a) that the Letters of Management Representation for the Devon Pension Fund and the County Council be approved;
- (b) that the Statement of Accounts for 2018/19 be approved;
- (c) that the Pension Fund Statement of Accounts for 2018/19 be approved;
- (d) that the preparation of both the Statement of Accounts for the Pension Fund and County Council be approved on an ongoing concern basis, and;
- (e) that the two paragraphs advised by Grant Thornton not to be included in the Annual Governance Statement be removed.

69 **Audit Committee Annual Plan 2019/20**

The Committee noted the current Work Programme and

It was **MOVED** by Councillor Clatworthy, **SECONDED** by Councillor Peart, and;

RESOLVED that the current outline Work Programme be noted subject to the inclusion of a Doing What Matters Masterclass (arising from this meeting) for future consideration.

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

The Meeting started at 2.15 pm and finished at 3.30 pm