

## **AUDIT SCRUTINY COMMITTEE**

**TUESDAY, 12 SEPTEMBER 2017**

Present:

Councillors Clarence (Chairman), Dewhirst, Golder, Haines, Hockin (Vice-Chairman), Price and Thorne

Apologies:

Councillors Jones

Officers in Attendance:

Martin Flitcroft, Finance Manager

Sue Heath, Audit Manager

Steve Johnson – Audit Manager, Grant Thornton

### **119. MINUTES**

The minutes of the Audit Scrutiny Committee held on 20 July 2017 were confirmed as a correct record and signed by the Chairman.

### **120. URGENT ITEM**

Members were advised that the Council had accepted the appointment of Grant Thornton as their future external auditor following the Public Sector Audit Appointment exercise.

### **121. GRANT THORNTON:**

Members noted the report which provided a summary of the work in progress within Teignbridge

The Audit Manager for Grant Thornton advised that there were no material errors identified within the accounts, nor any adjustments required to figures which would result in a change to income or expenditure or balance sheet lines. He confirmed that he would be providing an unqualified opinion on the Value for Money work, further that the working on the Housing Benefit claim would be concluded by November 2017. Members' attention was drawn to Grant Thornton's position regarding materiality.

In response to a request, the Audit Manager confirmed that future reports would not use the short form 'K' when referring to thousands of pounds, this would be written in full.

The Chairman and Members thanked the accounts team and the external auditors for their working in completing the year end accounts.

Resolved

To note the report.

**122. STATEMENT OF ACCOUNTS 2016/17 (INCLUDING LETTER OF REPRESENTATION).**

*Members reviewed the Statement of Accounts 2016/17 which would be referred to full Council for approval on the 25 September 2017 together with the Annual Governance Statement. The Committee also noted the requirement for the Chairman of Council to sign the accounts and letter of representation.*

In response to a questions, Members were advised as follows:-

- (a) that the detail required in the statement of accounts was prescribed, details of the pension liability was included with other long term liabilities;
- (b) the draft balance sheet has moved from a positive position to a deficit, it was noted the pension liability created this position, which covers all future liabilities at the balance sheet date;
- (c) Property valuations were valued at current value based on existing use;
- (d) 'Property, plant and equipment' – confirmation that the increased related to the property element only which had increased in value.

Resolved

That the Audit Scrutiny Committee recommend the statement of accounts 2016/17 for approval to Council.

**123. INTERNAL AUDIT PROGRESS REPORT.**

The Audit Manager provided an overview of the work undertaken by the Internal Audit Section which included the completion of 4 audits and publication of 2 draft reports. The report provided detail of the level of assurance gained for each area audited. It was noted that progress against the Audit Plan was on target for the period.

Resolved

To note the report.

**124. ANNUAL GOVERNANCE STATEMENT AMENDMENTS.**

Members were advised that it was necessary to make minor adjustments to the approved Annual Governance Statement which had been agreed at the July meeting.

In response to a question it was agreed that the officer would investigate if a follow-up peer challenge visit would be held.

Recommended

To recommend the amended Annual Governance Statement to Council for approval.

**125. INTERNAL AUDIT ASSURANCE RATINGS.**

In response to Members concerns regarding the current assurance rating of excellent, good, fair and poor the Internal Audit Manager had undertaken a benchmarking exercise with professional bodies and other audit providers including local authorities within Devon. It was noted that the Devon Audit Partnership was currently undertaking a review of assurance ratings and it was agreed that officers would liaise with the Partnership and provide an update report at the next meeting.

Cllr Chris Clarence  
Chairman