

AUDIT SCRUTINY COMMITTEE

THURSDAY, 21 JUNE 2018

Present:

Councillors Clarence (Chairman), Hockin (Vice-Chairman), Dewhirst, Haines, Peart and Wrigley

Apologies:

Councillors Connett and Thorne

Officers in Attendance:

Sue Heath, Audit Manager

Claire Moors, Accountant

Kay O'Flaherty, Business Development & Improvement Team Leader

Laura Chapman, Accountant

Geraldine Daly, Engagement Lead

Steve Johnson, Audit Manager, Grant Thornton

Howard Bassett, Exeter City Council

55. APPOINTMENT OF CHAIRMAN

It was proposed by Cllr Hockin and seconded by Cllr Peart that Cllr Clarence be appointed Chairman for the 2018/19 municipal year.

Resolved

Cllr Clarence be appointed Chairman of Audit Scrutiny.

56. APPOINTMENT OF VICE CHAIRMAN

It was proposed by Cllr Haines and seconded by Cllr Peart that Cllr Hockin be appointed Vice Chairman for the 2018/19 municipal year.

Resolved

Cllr Hockin be appointed Vice Chairman of Audit Scrutiny.

57. MINUTES

The minutes of the Audit Scrutiny Committee held on 22 March 2018 were confirmed as a correct record and signed by the Chairman.

58. DECLARATIONS OF INTEREST

No declarations of interest were made.

59. GRANT THORNTON EXTERNAL AUDIT UPDATE

Members noted the report which set out progress in delivering the responsibilities of the external auditors, setting out a summary of emerging national issues and developments and providing a summary of the work in progress within Teignbridge and detail of publications.

60. INTERNAL AUDIT ANNUAL REPORT AND OPINION

The Committee considered the Audit Manager's annual opinion on the adequacy and effectiveness of the Council's control environment for the year ending 31 March 2018.

Two audits had been carried forward to 2018/19 and one was in progress which meant that 88% of planned work had been completed in-year. Within this, 100% of the core financial systems had been achieved. This enabled the Internal Audit Manager to confirm she was satisfied that sufficient internal audit work had been undertaken and confirmed that the Council had adequate and effective arrangements in place.

The Audit Manager responded as follows to Members' queries:-

- the internal audit was open and transparent and undertaken within an agreed mandate;
- in accordance with the Data Matching Code of Practice, information on payroll, pension, benefits etc. was submitted centrally by local authorities and public bodies for information to be received back to help identify fraudulent practices. In line with GDPR requirements, the Code was being reviewed;
- the Head of the Devon Audit Partnership, as the provider of internal audit services to Teignbridge's shared ICT company, had provided "significant assurance" on the internal control framework within Strata which was the highest categorization. The full report could be provided to Members on request; and
- in respect of the fair assessment for the Teign Estuary Partnership, the internal audit had commented that, although it was a good forum to progress issues, it would benefit from further monitoring and greater transparency to fulfil its objectives. It was also noted that Teignbridge had undertaken the audit as the District Council was the lead partner of the Partnership. Members asked for further information on the work of the Partnership.

Resolved

- (a) to note the opinion of the Audit Manager and use it as a source of assurance for the Council's Annual Governance Statement; and
- (b) the audit report on the Teign Estuary Partnership be submitted to the September meeting of this Committee and that the Chair of the Partnership and Teignbridge District Council Head of Commercial Services be requested

to attend to update Members on the work of the Partnership.

61. ANNUAL GOVERNANCE STATEMENT

The Audit Manager presented the Annual Governance Statement (AGS) for 2018/19, which had been completed following a review of the effectiveness of the Council's control systems and governance arrangements.

Members noted that the governance principles had been assessed using the CIPFA/SOLACE framework and the report set out the guiding principles behind the statement.

The Committee considered the results of the review and the recommended Annual Governance statement for approval.

Recommended

To recommend the Annual Governance Statement to Council for approval.

62. 2017/18 DRAFT FINAL ACCOUNTS & TREASURY MANAGEMENT

The Committee considered the 2017/18 draft final accounts and treasury management results which would be reported to the Full Council on 30 July 2018.

Responding to a Member's query, the Accountant advised that the lending list would be reviewed and advice sought from ratings agencies like Moody's should the merger between the Clydesdale and Yorkshire Banks proceed. She also explained the process and value in investing the Council's reserves through the various investment options although the return was lower than in the past when interest rates had been much higher.

Recommended

Council is recommended

- (a) to note the publication of the draft statement of accounts for 2017/18, the current authorised lending list and the draft treasury management results for 2017/18; and
- (b) the Treasury Management Team be thanked and congratulated for its work in this area and achieving the 'Excellent' rated Internal Audit report.

63. FINANCIAL INSTRUCTIONS AND CONTRACT RULES WAIVERS

The Audit Manager presented the report setting out the number of times the Financial Instructions and Contract Procedure Rules had been waived and the reasons. The details of three waivers that had been processed since the March

2018 meeting were set out in the monitoring report and the Audit Manager explained the background to these.

Members sought further information in respect of the gym equipment and for a report on the set criteria to be followed where the procedure rules could not be followed. A request was also made for details of the procurement policy to be made available.

Resolved

- (a) the report be noted; and
- (b) a report be submitted to the next Audit Scrutiny Committee on criteria for not following Financial Instructions and Contract Procedure Rules, the report to include all the three tenders submitted for the additional gym equipment for these to be scrutinised.

64. ONE TEIGNBRIDGE PROJECT

The Business Development and Improvement Team Leader updated Members on progress with the project aimed at increasing the electronic delivery of services. Previous success with moving customers to electronic methods had proved successful. It was hoped that the technology used in the project would encourage greater use of these methods and would free up resources to assist the vulnerable or with complex enquiries. The project involved extensive process mapping with services to follow the process end to end and to identify efficiencies in systems. The Customer Support centre offered on line access within the Council offices and Customer Support staff had been trained to help customers self-serve. High volume enquiries would be dealt with in the Customer Support Centre to free up back office professionals to deal with more technical issues.

The project aimed to enable customers to track individual enquiries for progress to be monitored and the option to create their own accounts for certain, but not all, functions. Information obtained would enable the Council to develop a one view of customers.

The Team Leader explained the technical background to the project and provided further information on specific forms including those for Waste and Recycling, currently being tested and due to be launched in July and fly tipping to be launched in the Autumn. She welcomed comments from Councillors on maximising the value of the forms and the system generally and of the offer from Councillor Dewhirst to help test the fly tipping form.

The Chair thanked the Team Leader for her comprehensive update.

65. GDPR

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The Audit Manager advised Members on the work undertaken to meet the new GDPR and Data Protection Act requirements, including information asset registers and data retention schedules for all services; privacy notices in place; mailing lists cleansed where appropriate; staff training and awareness raised. The Information Commissioner had recognised that full compliance would be a “journey”, however, the Council was in a good position to meet many of the new requirements which came into force on 25 May 2018. Work was ongoing in areas with major systems issues to address such as Planning and Housing Benefits.

The Audit Manager responded to Members’ queries:-

- any data breaches were dealt with by the Data Protection Officer who was required to notify the Information Commissioner within 72 hours;
- in the event of a breach, the Information Commissioner could impose a fine and it would be for the individual(s) concerned to decide whether to proceed with an application for compensation. Payments were made by the body responsible for the breach; and
- much consideration had been given to details in respect of planning and building control. The current view was that the applicant’s name in respect of planning applications should be provided for public information as well as to enable Councillors to declare any interests as appropriate. For Building Control, the system needs to enable individuals’ data to be separated from the property history to allow the data retention schedule to be applied to personal data whilst retaining the information on the property.

Resolved

to note the report, further updates to be provided including the number of data breach incidents incurred.

Cllr Chris Clarence
Chairman