

## **AUDIT SCRUTINY COMMITTEE**

**THURSDAY, 13 DECEMBER 2018**

Present:

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

Apologies:

Councillors Connett and Wrigley

Officers in Attendance:

Sue Heath, Audit Manager  
Claire Moors, Principal Technical Accountant  
Liz Gingell, Business Improvement Officer  
Lucy Ford, Interim Corporate Procurement Officer  
Rebecca Hewitt, Community Safety and Safeguarding Manager  
Mark Devin, Democratic Services Officer (Exeter City Council)

Also in Attendance

Julie Masci, Engagement Lead - Grant Thornton  
Stephen Johnson, Audit Manager - Grant Thornton

### **290. MINUTES OF PREVIOUS MEETING**

The minutes of the Audit Scrutiny Committee meeting held on 11 September 2018 were confirmed as a correct record and signed by the Chairman.

### **291. DECLARATIONS OF INTEREST.**

The following Member declared an interest as indicated:-

<b>COUNCILLOR</b>	<b>MINUTE</b>
Councillor Thorne	297

### **292. SAFEGUARDING AUDIT UPDATE - VERBAL REPORT**

The Community Safety and Safeguarding Manager and the Audit Manager provided Members with an update on the revised Safeguarding Audit report, which had been re-worked on a balance of strengths and weaknesses.

Concerns had been raised on Safeguarding training, however there were briefings planned for 2019 and Safeguarding training had been promoted in the staff newsletter. HR would also be doing a review of the e-learning system, but there had been excellent progress on safeguarding training. She confirmed that

safeguarding sessions had also been delivered through staff meetings, which included refuse and cleansing teams.

Members were informed that 262 people had completed training on suicide awareness at Teignbridge District Council, South Hams District Council and West Devon Borough Council.

In response to questions from Members, the Community Safety and Safeguarding Manager explained:-

- There was safeguarding legislation for both adults and children;
- Taxi drivers were offered free training on safeguarding risks;
- The Council provided lone working policies for staff, undertook checks on new staff and incident handling;
- Safeguarding Training was not mandatory for taxi drivers, however 46% of drivers had completed the training. The Licensing team were working to amend the policy to make Safeguarding training mandatory, but the drivers may have to pay.

The Chair expressed his thanks to the Community Safety and Safeguarding Manager

Resolved

That the Audit Scrutiny Committee note the verbal report.

## **293. EXTERNAL AUDITORS REPORT AND AUDIT LETTER**

Julie Masci, Engagement Lead and Steve Johnson, Audit Manager from Grant Thornton, presented the progress update report and the Annual Audit Letter for the year ending 31 March 2018.

Members were referred to the 2017/18 Annual Audit letter, which summarised the key findings arising from work carried out for the Council year ending 31 March 2018. The report had been brought back to the Committee following a request by Members for amendments, which had been completed.

The Progress Report showed the work for 2018/19 Audit Planning was underway and would be presented along with the Certification Report, to Members at the next Audit Scrutiny meeting on 13 March 2018. Details of the audit deliverables, sector update work, the Chartered Institute of Public Finance and Accountancy (CIPFA) consultation, business rates and the fair funding review were provided.

Members were informed that Teignbridge District Council did not own a trading company, and the Financial Resilience Index was still within the consultation period. It would not show on the CIPFA website until it was completed. Housing Benefit was audited through system diagnostics and individual aspects. The findings are then presented to the Department for Work and Pensions (DWP).

Resolved

That the Audit Scrutiny Committee note the report.

**294. TREASURY MANAGEMENT UPDATE & MID-YEAR REVIEW**

The Principal Technical Accountant presented the report which provided Members with details of the authorised lending list, which had been presented to the Executive Committee on 4 December 2018. She highlighted that there had been no changes made to the tier ratings and under the type of lender heading, the previous Standard Life Sterling Liquidity Fund had changed to the Aberdeen Liquidity Fund, following a merger.

The Principal Technical Accountant discussed the Interim Performance Report for the Period 1 April to 30 September 2018, highlighting to Members that the interest forecast for the year was currently predicting a total receivable of £96,450. This took into account the base rate increase on 2 August 2018 and an increase in the average funds available to lend out of £13.3 Million in the first half of the year.

In response to a Member question, the Principal Technical Accountant explained that, Barclays Bank had been on a previous authorised lending list, hence the interest earned, but has since been removed, as they no longer fit with the Council's Treasury Management Strategy.

Resolved

That the Audit Scrutiny Committee note the report.

**295. RISK MANAGEMENT REPORT**

The Business Improvement Officer presented the report which provided Members with an overview of the current status of the Strategic and Corporate Risk Register. She explained to Members that there were 25 Strategic Risks and 12 corporate risks. Of the 37 risks, six had an unmitigated risk score of 9, which was very high, but actions were in place to reduce these. She commented that there were no risks with a high impact and high likelihood or medium impact and high likelihood score.

Members were referred to the review of each risk and its mitigations, explaining the risk that had been added or changed to clarify the risks purpose. All the major projects and service charges had all been updated.

In response to Member questions, the Business Improvement Officer explained how mitigations were reviewed and shown on the register. They would be marked as either 'action completed' or 'action on going'. Additional details could be provided to Members in the online risk register. She commented that cyber security training was to be developed, and the mobile device and agile working policy was being reviewed.

Resolved

That the Audit Scrutiny Committee noted and approved the report.

**296. INTERNAL AUDIT REPORT**

The Audit Manager presented the report which advised Members of the progress against the Audit Plan and referred Members to the outcomes of the completed audits. She discussed the Housing Contracts Management audit, which was requested by the Interim Head of Service. It would be followed up as it was a fair audit outcome.

In response to a Member question, the Audit Manager stated that management had undertaken a review on Corporate Purchasing Cards and flagged up several considerations.

Resolved

That the Audit Scrutiny Committee note the report.

**297. CONTRACT WAIVER PROCEDURE**

The Interim Corporate Procurement Officer provided members with information on the process for waiving the Contract Procedure Rules (CPR), following a request made by Members at the September 2018 Audit Scrutiny meeting (Minute 156). The report provided an explanation of the waiver procedure, and an outline of the controls in place to ensure it was properly applied.

Members were referred to the spending thresholds, procurement processes, requests for quotations and the tendering process. The Interim Corporate Procurement Officer commented on the waiver procedure, highlighting the criteria and processes involved. For waivers over £50,000 an officer would require management sign off before any waiver is presented to the Leader and Deputy Leader.

The analysis of waivers for the financial period 2017-18 was discussed. There had been two instances where the value of the procurement had exceeded the expected £50,000 threshold and requests for quotations were obtained instead of formal tendering. The value for the incidents was below the EU threshold, and the market had been tested, therefore the decision to allow waivers had been supported rather than re-procuring using a tendering process.

Resolved

That the Audit Scrutiny Committee note the report.

**298. FINANCIAL INSTRUCTIONS AND CONTRACT RULES WAIVERS**

The Audit Manager presented the report which provided Members with details of Financial Instructions and Contract Procedure Rules that had been waived since September 2018. There had been two incidents reported – the Provision of Lifeguard Service and Statement of Significance for St Mary’s Church. She confirmed both incidents warranted the waiver procedure.

Resolved

That the Audit Scrutiny Committee note the report.

**299. DATA PROTECTION AND CYBER SECURITY UPDATE - VERBAL REPORT**

The Audit Manager provided Members with a verbal update on data protection and cyber security. Since the last Audit Scrutiny meeting there had been no major breaches reported, but a few minor data protection issues had been investigated and resolved.

Data Protection Impact Assessments were being completed for all new or changed systems, and Strata were running penetration testing where necessary, to ensure these were secure. The GCS email system had now been replaced with the Government Secure system which uses TLS encryption. A funding bid for Cyber risk awareness training was also being submitted.

Freedom of Information (FOI) requests were averaging approximately 40 per month and Subject Access Requests (SAR) were being received, with some requests being used as a means to access confidential and exempt information, held by the Council.

In response to a question she confirmed to Members, that both Strata and Devon County Council had an email filtering system in place between the two authorities for increased security.

Resolved

That the Audit Scrutiny Committee note the verbal report.

Cllr Chris Clarence  
Chairman