

# Public Document Pack

**Mid Devon District Council**

## **Audit Committee (special)**

**Tuesday, 23 June 2020 at 5.30 pm**  
**Remote meeting**

**Next ordinary meeting**  
**Tuesday, 11 August 2020 at 5.30 pm**

**Important - this meeting will be conducted and recorded by Zoom only. Please do not attend Phoenix House. The attached Protocol for Remote Meetings explains how this will work.**

To join the Zoom Meeting please use the following link:

<https://zoom.us/j/93583952489?pwd=bWNyZmR0dHA5d00ydXJQbHd4S09VUT09>

Meeting ID: 935 8395 2489  
Password: 318042

One tap mobile

08002605801,,93583952489#,,1#,318042# United Kingdom Toll-free

08003582817,,93583952489#,,1#,318042# United Kingdom Toll-free

Dial by your location

0 800 260 5801 United Kingdom Toll-free

0 800 358 2817 United Kingdom Toll-free

0 800 031 5717 United Kingdom Toll-free

Meeting ID: 935 8395 2489  
Password: 318042

## **Membership**

Cllr R Evans (Chairman)

Cllr Mrs C Collis

Cllr B A Moore

Cllr D F Pugsley

Cllr A Wilce

Cllr J Wright

Cllr A Wyer

# AGENDA

*Members are reminded of the need to make declarations of interest prior to any discussion which may take place*

1. **Apologies**  
To receive any apologies for absence.
2. **Remote Meetings Protocol (Pages 5 - 10)**  
To note the protocol for remote meetings.
3. **Public Question Time**  
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
4. **Declaration of Interests under the Code of Conduct**  
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
5. **Minutes of the previous meeting (Pages 11 - 16)**  
Members to consider whether to approve the minutes as a correct record of the meeting held on 2 June 2020.
6. **Chairman's Announcements**  
To receive any announcements that the Chairman may wish to make.
7. **Access to Information - Exclusion of the Press and Public**  
During discussion of the following item(s) it may be necessary to pass the following resolution to exclude the press and public having reflected on Article 12 12.02(d) (a presumption in favour of openness) of the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. The Committee will need to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

To consider passing the following resolution so that exempt information may be discussed.

**Recommended** that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 1 namely information relating to any individual; paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and paragraph 5 namely information in respect of which a claim to legal professional

privilege could be maintained in legal proceedings.

8. **3 Rivers Development Limited Governance Review** *(Pages 17 - 138)*  
To review the report of the Chief Executive presented to the Cabinet on 11 June 2020 and the resolutions listed (as amended) and to report their findings and any further or suggested changes not already addressed to the Cabinet for their subsequent consideration.

**Stephen Walford**  
Chief Executive  
Friday 12 June 2020

### **Covid-19 and meetings**

The Council will be holding some meetings in the next few weeks, but these will not be in person at Phoenix House until the Covid-19 crisis eases. Instead, the meetings will be held remotely via Zoom and you will be able to join these meetings via the internet. Please see the instructions on each agenda and read the Protocol on Remote Meetings before you join.

If you want to ask a question or speak, email your full name to [Committee@middevon.gov.uk](mailto:Committee@middevon.gov.uk) by **no later than 4pm on the day before the meeting**. This will ensure that your name is on the list to speak and will help us ensure that you are not missed – as you can imagine, it is easier to see and manage public speaking when everyone is physically present in the same room. Notification in this way will ensure the meeting runs as smoothly as possible.

If you require any further information, please contact Sarah Lees on:  
[slees@middevon.gov.uk](mailto:slees@middevon.gov.uk)

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## **Mid Devon District Council - Remote Meetings Protocol**

### **1. Introduction**

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations permit remote attendance in Local Authority meetings.

Remote attendance is permitted as long as certain conditions are satisfied. These include that the Member is able to hear and be heard by the other Members in attendance. Also, being able to hear and be heard by any members of the public entitled to attend the meeting (in line with the public participation scheme). A visual solution is preferred, but audio is sufficient.

This also relates to members of the public attending the meeting also being heard. The regulations are clear that a meeting is not limited to those present in the same place, but includes electronic, digital or virtual locations (internet locations, web addresses or conference call telephone numbers).

### **2. Zoom**

Zoom is the system the Council will be using for the time-being to host remote / virtual meetings. It has functionality for audio, video, and screen sharing and you do not need to be a member of the Council or have a Zoom account to join a Zoom meeting.

### **3. Access to documents**

Member Services will publish the agenda and reports for committee meetings on the Council's website in line with usual practice. Paper copies of agendas will only be made available to those who have previously requested this and also the Chair of a virtual meeting.

If any other Member wishes to have a paper copy, they must notify the Member Services before the agenda is published, so they can arrange to post directly – it may take longer to organise printing, so as much notice as possible is appreciated. Printed copies will not be available for inspection at the Council's offices and this requirement was removed by the Regulations.

### **4. Setting up the Meeting**

This will be done by Member Services. They will send a meeting request via Outlook which will appear in Members' Outlook calendar. Members will receive a URL link to click on to join the meeting.

### **5. Public Access**

Members of the public will be able to use a weblink and standard internet browser. This will be displayed on the front of the agenda.

## 6. Joining the Meeting

Councillors must join the meeting early (i.e. at least **five** minutes before the scheduled start time) in order to avoid disrupting or delaying the meeting. Councillors should remember that they may be visible and heard by others, including the public, during this time.

## 7. Starting the Meeting

At the start of the meeting, the Member Services Officer will check all required attendees are present (viewing the participant list) and that there is a quorum. If there is no quorum, the meeting will be adjourned. This applies if, during the meeting, it becomes inquorate for whatever reason.

The Chair will remind all Members, Officers and the Public that **all microphones will be automatically muted**, unless and until they are speaking. This prevents background noise, coughing etc. which is intrusive and disruptive during the meeting. The Hosting Officer will enforce this and will be able to turn off participant mics when they are not in use. Members would then need to turn their microphones back on when they wish to speak.

## 8. Public Participation

Participation by members of the public will continue in line with the Council's current arrangements as far as is practicable. However, to ensure that the meeting runs smoothly and that no member of the public is missed, all those who wish to speak must register **by 4pm on the day before the meeting**. They should email their full name to [Committee@middevon.gov.uk](mailto:Committee@middevon.gov.uk). If they wish to circulate their question in advance, that would be helpful.

At public question time, the Chair will invite the public by name to speak at the appropriate time. At that point, all public microphones will be enabled. This means that, to avoid private conversations being overheard, no member of the public should speak until it is their turn and they should then refrain from speaking until the end of public question time, when all microphones will be muted again. In the normal way, the public should state their full name, the agenda item they wish to speak to **before** they proceed with their question.

Unless they have registered, a member of the public will not be called to speak.

If a member of the public wishes to ask a question but cannot attend the meeting for whatever reason, there is nothing to prevent them from emailing members of the Committee with their question, views or concern in advance. However, if they do so, it would be helpful if a copy could be sent to [Committee@middevon.gov.uk](mailto:Committee@middevon.gov.uk) as well.

## 9. Declaration of Interests

Councillors should declare their interests in the usual way. A councillor with a disclosable pecuniary interest is required to leave the room. For remote meetings, this means that they will be moved to a break-out room for the duration

of this item and will only be invited back into the meeting when discussion on the relevant item has finished.

## **10. The Meeting and Debate**

The Council will not be using the Chat function.

The Chair will call each member of the Committee to speak - the Chair can choose to do this either by calling (i) each member in turn and continuing in this way until no member has anything more to add, or (ii) only those members who indicate a wish to speak using the 'raise hand' function within Zoom. This choice will be left entirely to the Chair's discretion depending on how they wish to manage the meeting and how comfortable they are using the one or the other approach.

Members are discouraged from physically raising their hand in the video to indicate a wish to speak – it can be distracting and easily missed/misinterpreted. No decision or outcome will be invalidated by a failure of the Chair to call a member to speak – the remote management of meetings is intensive and it is reasonable to expect that some requests will be inadvertently missed from time to time.

When referring to reports or making specific comments, Councillors should refer to the report and page number, so that all Members of the Committee have a clear understanding of what is being discussed at all times.

## **11. Voting**

On a recommendation or motion being put to the vote, the Chair (or the Member Services Officer) will go round the virtual room and ask each member entitled to vote to say whether they are for or against or whether they abstain. The Member Services Officer will announce the numerical result of the vote.

## **12. Meeting Etiquette Reminder**

- Mute your microphone – you will still be able to hear what is being said.
- Only speak when invited to do so by the Chair.
- Speak clearly and please state your name each time you speak
- If you're referring to a specific page, mention the page number.

## **13. Part 2 Reports and Debate**

There are times when council meetings are not open to the public, when confidential, or "exempt" issues – as defined in Schedule 12A of the Local Government Act 1972 – are under consideration. It is important to ensure that there are no members of the public at remote locations able to hear or see the proceedings during such meetings.

Any Councillor in remote attendance must ensure that there is no other person present – a failure to do so could be in breach of the Council's Code of Conduct.

If there are members of the public and press listening to the open part of the meeting, then the Member Services Officer will, at the appropriate time, remove them to a break-out room for the duration of that item. They can then be invited back in when the business returns to Part 1.

Please turn off smart speakers such as Amazon Echo (Alexa), Google Home or smart music devices. These could inadvertently record phone or video conversations, which would not be appropriate during the consideration of confidential items.

#### **14. Interpretation of standing orders**

Where the Chair is required to interpret the Council's Constitution and procedural rules in light of the requirements of remote participation, they may take advice from the Member Services Officer or Monitoring Officer prior to making a ruling. However, the Chair's decision shall be final.

#### **15. Disorderly Conduct by Members**

If a Member behaves in the manner as outlined in the Constitution (persistently ignoring or disobeying the ruling of the Chair or behaving irregularly, improperly or offensively or deliberately obstructs the business of the meeting), any other Member may move 'That the member named be not further heard' which, if seconded, must be put to the vote without discussion.

If the same behaviour persists and a Motion is approved 'that the member named do leave the meeting', then they will be removed as a participant by the Member Services Officer.

#### **16. Disturbance from Members of the Public**

If any member of the public interrupts a meeting the Chair will warn them accordingly. If that person continues to interrupt or disrupt proceedings the Chair will ask the Member Services Officer to remove them as a participant from the meeting.

#### **17. After the meeting**

Please ensure you leave the meeting promptly by clicking on the red phone button to hang up.

#### **18. Technical issues**

In the event that the Chair, the Hosting Officer or the Member Services Officer identifies a problem with the systems from the Council's side, the Chair should declare a recess while the fault is addressed. If it is not possible to address the fault and the meeting becomes inquorate through this fault, the meeting will be adjourned until such time as it can be reconvened.



If the meeting was due to determine an urgent matter or one which is time-limited and it has not been possible to continue because of technical difficulties, the Chief Executive, Leader and relevant Cabinet Member, in consultation with the Monitoring Officer, shall explore such other means of taking the decision as may be permitted by the Council's constitution.

For members of the public and press who experience problems during the course of a meeting e.g. through internet connectivity or otherwise, the meeting will not be suspended or adjourned.

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## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **AUDIT COMMITTEE** held on 2 June 2020 at 5.30 pm

### **Present**

#### **Councillors**

R Evans (Chairman)  
Mrs C Collis, B A Moore, D F Pugsley,  
A Wilce, J Wright and A Wyer

#### **Also Present Councillors**

L Cruwys, R M Deed and B Warren

#### **Also Present Officers**

Andrew Jarrett (Deputy Chief Executive (S151)), Catherine Yandle (Group Manager for Performance, Governance and Data Security), David Curnow (Deputy Head of Devon Audit Partnership) and Sarah Lees (Member Services Officer)

#### **Also in Attendance**

Andrew Davies, Grant Thornton

### 1. **ELECTION OF CHAIRMAN (CHAIRMAN OF THE COUNCIL IN THE CHAIR)**

**RESOLVED** that Cllr R Evans be elected Chairman of the Committee for 2020/2021.

### 2. **ELECTION OF VICE CHAIRMAN**

**RESOLVED** that Cllr A Wyer be elected Vice Chairman of the Committee for 2020/2021.

### 3. **APOLOGIES**

There were no apologies for absence.

### 4. **REMOTE MEETINGS PROTOCOL**

The protocol for remote meetings was noted, however, it was **AGREED** that the word 'disrobing' in the first sentence of section 15 be replaced with the word 'disobeying'.

### 5. **PUBLIC QUESTION TIME**

There were no members of the public present.

### 6. **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

## 7. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 28 January 2020 were confirmed as a true and accurate record.

## 8. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had the following announcements to make:

1. He thanked the Committee for returning him as Chairman, this was a role he enjoyed.
2. He thanked Member Services for their help in recent months.
3. He hoped to attend a virtual meeting with the Devon Audit Partnership (DAP) on 14 July 2020.
4. A briefing would need to be held sometime before the next formal Audit Committee meeting on 11 August 2020 to take Members through the draft financial accounts and Annual Governance Statement. The Clerk would liaise with Members regarding a convenient date.
5. He reminded the Committee that their primary focus was to concentrate on all 'risks' to the Council.

## 9. PERFORMANCE & RISK REPORT (00:16:24)

The Committee had before it, and **NOTED**, a report \* from the Director of Corporate Affairs & Business Transformation providing Members with an update on performance against the Corporate Plan and local services targets for 2019-20 as well as providing an update on the key business risks.

The contents of the report were briefly outlined with particular reference to the following:

- The report presented the final outturn position for the 2019/2020 financial year and was the first performance and risk report the Committee had received since the Coronavirus lockdown. It therefore reflected some of the actions taken by the Council as a result of the pandemic.
- The Planning Inspector's post examination report into the Local Plan Review was now expected towards the end of June or early July 2020.
- It was noted that the response to FOI requests had been 100% on time since April 2019.

Note: \*Report previously circulated; copy attached to the signed minutes.

## 10. RISK AND OPPORTUNITY MANAGEMENT POLICY (00:21:17)

The Committee had before it a report \* from the Group Manager for Performance, Governance and Data Security presenting the updated Risk & Opportunity Management Policy for approval.

The contents of the report were briefly outlined with it being stated that the policy remained largely unchanged other than the few amendments identified in the report attached to the agenda.

The Internal Audit Manager stated that it was helpful to see this updated document particularly in regard to updating risk mitigating actions. The policy was now much clearer.

**RESOLVED** that the updated Risk and Opportunity Management Policy be approved.

(Proposed by the Chairman)

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 11. **INTERNAL AUDIT APPROACH DURING THE COVID-19 PANDEMIC (00:23:57)**

The Committee had before it, and **NOTED**, a report \* from the Head of the Devon Audit Partnership (DAP) updating it on how DAP were looking to adjust ways of working to help deliver their work, in particular the 2020/21 Internal Audit plan as well as how they aimed to provide wider support to organisations as they responded to the challenges brought about by Covid-19.

The following was highlighted within the report:

- The report provided an update on how Council services were being delivered during these challenging times.
- The annual assurance opinion for 2020/2021 would be delivered using assurance mapping and a degree of flexibility in order to support services through the current difficulties.

Discussion took place regarding whether, as a result the current pandemic, the completion of work within the Audit Plan for 2019/2020 had been affected. It was explained that more than 90% (annual target) of the audit programme had been completed without the audit staff having put undue pressure on service areas.

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 12. **INTERNAL AUDIT CHARTER AND STRATEGY (00:29:34)**

The Committee had before it a report \* from the Internal Audit Team Manager presenting it with the Internal Audit Charter and Strategy for the effective operation of the internal audit service excepting the changes in practice noted in item 11 of this meeting.

It was explained that the Charter set out the 'purpose' and the Strategy set out the 'methodology' of delivering the audit function. Both of these documents were unchanged from last year and merely required approval.

**RESOLVED** that the updated Internal Audit Charter & Strategy for 2020/21 be approved.

(Proposed by the Chairman)

Note: \* Report previously circulated; copy attached to the signed minutes.

### 13. **INTERNAL AUDIT PLAN 2020/21 (00:31:45)**

The Committee had before it a report \* from the Head of the Devon Audit Partnership providing it with the Internal Audit Plan for 2020/2021.

The following was highlighted within the report:

- The expectations of the Audit Committee.
- Key risks had been identified and there would be a key focus on, the Corporate Plan, climate change, safeguarding, information governance, cyber security, partnerships and transactional integrity.
- The number of days dedicated to each of the audits to be undertaken were set out within the report including the key areas of risk, however, a degree of flexibility would need to be employed given the current challenges facing the Council.

Discussion took place regarding:

- The Economic and Community Development area was stated as last being audited in 2014/15. However, it was explained that it had been agreed that an audit of this area during the intervening years would not have added much value, checks and balances were in place via other means, however, the plan could be changed should this be required if it was felt to be beneficial given the current circumstances.
- 15 days were allocated to an audit of the environmental impacts of climate change for next year. It was explained that a discussion had already taken place with the relevant Cabinet Member and Chief Executive and there would be a strategic review of governance arrangements as well as alignment and transition plans across a whole range of service areas in relation to this issue.

**RESOLVED** that the Internal Audit Plan for 2020/2021 be approved.

(Proposed by the Chairman)

Note: \* Report previously circulated; copy attached to the signed minutes.

### 14. **INTERNAL AUDIT ANNUAL REPORT FOR 2019/2020 (00:43:04)**

The Committee had before it, and **NOTED**, a report \* from the Internal Audit Manager updating it on the work performed by Internal Audit during the 2019/2020 financial year as required by the Public Sector Internal Audit Standards.

The following was highlighted within the report and discussion took place with regard to:

- The majority of the work for 2019/2020 had now been completed.
- Overall, based on work performed during 2019/2020, the Head of Internal Audit's opinion was one of 'Substantial Assurance' on the adequacy and effectiveness of the Authority's internal control framework. The one exception to this was in relation to the Council's governance arrangements over its investment exposure associated to its property development operation where the Auditors opinion was of 'improvements required'.

- This report would help to inform the Annual Governance Statement.
- The rating system used to provide a summary of the assurance opinions in relation to each of the audits that had taken place.
- The value added to the Council by the internal audit function.
- Members were referred to the summary of audits and findings for 2019/2020. There were no material risks and overall a good level of assurance had been provided.

The Chairman referred specifically to the 'high standard' audits on 'Freedom of Information' and 'Contract Management' and wished for the Committee's thanks to be taken back to the officers working in these areas.

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 15. **GRANT THORNTON - ADDENDUM TO THE AUDIT PLAN (00:51:29)**

The Committee had before it, and **NOTED**, a report \* from Grant Thornton providing an update to the planned scope and timing of the statutory audit of Mid Devon District Council in light of the unprecedented global response to the Covid-19 pandemic.

The report set out in clear terms the unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. The potential impacts on certain areas such as the valuation of property, plant and equipment were significant as was the additional pressure on the Finance team.

It was further explained that the pandemic had had an impact on deadlines in relation to approving annual accounts across the country. These had now been relaxed with the date for the draft accounts being the end of August and the final sign off date being moved to the end of November.

It was confirmed that Grant Thornton had started their audit today.

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 16. **CHAIRMAN'S ANNUAL REPORT FOR 2019 / 2020 (00:57:13)**

The Committee had before it, and **NOTED**, a draft report by the Chairman of the Committee.

The absence of the Cabinet Member for Finance was noted with the Leader saying he would speak to the relevant Member about attending the Audit Committee going forwards.

#### 17. **START TIME OF MEETINGS (00:59:52)**

The Committee **AGREED** to continue to hold meetings of the Audit Committee on Tuesday evenings at 5.30pm.

**18. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:01:24)**

It was requested that the report being received by the Cabinet on 11 June 2020 in relation to the 3 Rivers Development Co. be brought before the Audit Committee at their next meeting.

No other items were identified for the next meeting other than those already listed in the work programme.

(The meeting ended at 6.35 pm)

**CHAIRMAN**



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of the Local Government Act 1972.

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