

## **MID DEVON DISTRICT COUNCIL**

**MINUTES** of a **MEETING** of the **AUDIT COMMITTEE** held on 7 June 2022 at 5.30 pm

### **Present**

#### **Councillors**

N V Davey (Chairman)  
J Buczkowski, Mrs C Collis, R Evans, R L Stanley and  
A Wyer

### **Apologies**

#### **Councillors**

A White and Mrs N Woollatt

### **Also Present**

#### **Councillors**

S J Clist, R M Deed, R J Dolley, B A Moore and  
R F Radford

### **Present**

#### **Officers**

Andrew Jarrett (Deputy Chief Executive (S151)), Matthew Page (Corporate Manager for People, Governance and Waste), Paul Deal (Corporate Manager for Finance), Nicola Cuskeran (Interim Corporate Performance Manager & Safeguarding Officer), Carole Oliphant (Member Services Officer) and Sarah Lees (Member Services Officer)

### **Also**

#### **In Attendance**

Tony Rose (Devon Audit Partnership)  
Peter Barber (Grant Thornton)

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

**RESOLVED** that Cllr N V Davey be elected Chairman of the Audit Committee for the municipal year 2022/2023.

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

**RESOLVED** that Cllr A Wyer be elected Vice Chairman of the Audit Committee for the municipal year 2022/2023.

## **3. APOLOGIES**

Apologies were received from Cllr Mrs N Woollatt and Cllr A White.

## **4. PUBLIC QUESTION TIME**

There were no public questions.

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

Cllr R L Stanley declared that he was a Director of 3 Rivers Development Ltd and as such had a Disclosable Pecuniary Interest and would leave the meeting should any discussion take place regarding this company.

No other interests were declared under this item.

## 6. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 22 March 2022 were confirmed as a true record and signed by the Chairman.

## 7. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed new Members to the Committee and reminded those present that the Committee had increased in size from 7 to 9 Members.

## 8. **START TIME OF MEETINGS**

It was **AGREED** that the start time of meetings for the remainder of the municipal year continue to be 5.30pm on Tuesday evenings.

## 9. **PERFORMANCE AND RISK OUTTURN REPORT FOR 2021/2022 (00:11:00)**

The Committee had before it, and **NOTED**, a report \* from the Corporate Manager for People, Governance & Waste and the Interim Corporate Performance and Improvement Manager providing it with an annual review of the Council's performance against the Corporate Plan, local service targets for 2021/2022 as well as providing an update on the key business risks.

The contents of the report were outlined with the following being highlighted:

- Risks in relation to an increased turnover of staff and a high level of vacancies.
- There was a risk of the 'Homes for Ukraine scheme' failing should the host relationship breakdown and re-matching not being an option. Where refugees could not afford to pay for private accommodation the council had a Homelessness Duty.
- Risks around safeguarding vulnerable individuals and children who fell outside of the 'Homes for Ukraine scheme' by not having their needs met and / or refugees being vulnerable to exploitation.

Discussion took place regarding:

- Key Performance Indicators in relation to Planning.
- How many planning applications were dealt with on time. The officer explained that she would find out and inform the Committee after the meeting.
- An increase in the number of households on the rechargeable waste scheme.
- An increase in electric car charger usage. A report would shortly be presented to the Cabinet regarding the installation and operation contract for the Deletti partnership scheme which had now been procured by Devon County Council.

- Information presented in the report with regard to the KPI for the Economic Development Service needed to be updated to truly reflect the amount of assistance which was given to Mid Devon businesses. Many factors affecting the economy of the district were outside of the Council's control but much assistance was being given in terms of advice, support and grant funding where available.
- HIF funding and the challenges involved, a report would be coming to the Cabinet shortly.

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

#### 10. **DRAFT ANNUAL GOVERNANCE STATEMENT (00:28:00)**

The Committee had before it, and **NOTED**, a report \* from the Devon Audit Partnership presenting the draft Annual Governance Statement which provided Members with the results of a yearly assessment of how well the Council was identifying, assessing, managing and controlling risks, achieving its aims and meeting the responsibilities it had by law.

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

- Satisfactory mitigations were in place to address risks.
- Procurement had been outsourced to Devon County Council to provide advice and guidance to MDDC services thereby improving legal compliance, professional protocols and consistency across all participating authorities.

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

#### 11. **DAP ANNUAL AUDIT REPORT 2021 - 2022 (00:33:00)**

The Committee had before it, and **NOTED**, the Annual Audit Report 2021 – 2022 from the Devon Audit Partnership.

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

- 17 audits had received a 'Reasonable Assurance' opinion and 2 had received 'Limited Assurance'. This was an improvement on the previous year.
- The Assurance map was explained with its different colours denoting different priorities.
- 90% of audits had been delivered within forecasted timescales.
- A summary of customer feedback was provided within the report.

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

#### 12. **INTERNAL AUDIT PROGRESS REPORT (00:44:00)**

The Committee had before it, and **NOTED**, a report \* from the Devon Audit Partnership presenting their internal audit progress report for the year to date.

The question was asked as to why there were outstanding audit recommendations from 2017/18/19 and whether continuing to list them added any value to the audit process? The Deputy Chief Executive (S151) explained that often it was about

resource deployment. A more robust and pragmatic stance could be taken in the future whereby management says 'We simply cannot do that within available resources' for some of the lower priority recommendations whilst keeping a focus on medium and high recommendations. Some element of risk may need to be accepted.

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

**13. EXTERNAL AUDIT PLAN (00:53:00)**

The Committee had before it, and **NOTED**, a report \* from Grant Thornton presenting an overview of the planned scope and timing of the statutory audit of Mid Devon District Council's financial statements. Mr Peter Barber from Grant Thornton explained that he would be taking over from Julie Masci.

The following was highlighted within the External Audit Plan:

- The report set out the external auditors approach to discharging their responsibilities.
- They were planning to finish the audit ahead of the November deadline.
- There would be a focus on significant risks to the authority in relation to Group Accounts, income levels and recording, land, building and Council dwelling liabilities as well as pension liabilities.
- The timing of their planned work was set out within the report with the expectation that the final audit report, including the Value for Money Assessment and Audit opinion would be presented to the November Audit Committee.
- Scale fees and additional fees were still being discussed with PSAA and would be reported to the Committee as soon as they were finalised.

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

**14. INFORMING THE AUDIT RISK ASSESSMENT FOR MDDC FOR 2021 - 2022 (01:07:00)**

The Committee had before it, and **NOTED**, a report \* from Grant Thornton presenting the 'Informing Risk Assessment for MDDC 21/22 report'. The report covered some important areas of the auditor risk assessment where they were required to make inquiries of the Audit Committee under auditing standards.

**15. EXTERNAL AUDIT PROGRESS REPORT (01:10:00)**

The Committee received a verbal update from the external auditors regarding their work to date. It was confirmed that work was on track with some recent work taking place in connection with IT general controls. They had also been in touch with the auditors of 3RDL as there were some complex issues to work through. An update would be provided to the next meeting.

**16. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:13:00)**

No additional items were requested to be on the agenda for the next meeting other than those which were already listed in the work programme.

Since the draft Accounts would be presented to the next meeting it was requested that Members be taken through them in some detail so as to understand what they would be signing off at a subsequent meeting.

(The meeting ended at 6.45 pm)

**CHAIRMAN**