

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **AUDIT COMMITTEE** held on 28 March 2023 at 5.30 pm

Present

Councillors

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

Also Present

Councillors

S J Clist, Mrs C P Daw and B G J Warren

Also Present

Officers

Stephen Walford (Chief Executive), Paul Deal (Corporate Manager for Finance), Dr Stephen Carr (Corporate Performance & Improvement Manager), Matthew Page (Corporate Manager for People, Governance and Waste), Lisa Lewis (Corporate Manager for Business Transformation and Customer Engagement), Brian Trebilcock (ICT Operations Manager, Infrastructure & Support), Paul Middlemass (Audit Manager) and Sarah Lees (Member Services Officer)

Also in

Attendance

Andrew Davies (Grant Thornton)

60. **APOLOGIES**

There were no apologies for absence. It was noted however that Cllr J Buczkowski joined the meeting via Zoom.

61. **PUBLIC QUESTION TIME**

Mr Nick Quinn, a local resident, asked the following question:

Regarding Agenda Item 4: Minutes of the previous meeting.

At the January Audit Committee meeting, I asked whether a 'letter of continued support', requested by 3 Rivers, had been provided.

The draft minutes before you accurately show my questions, but do not accurately show the response.

The draft minutes state: *The Deputy Chief Executive (S151) confirmed that a 'letter of continued support' had not **YET** been provided, therefore the answers to questions 2 and 3 became redundant.*

However the recording of the meeting (at 5mins 36 seconds) shows that the Deputy Chief Executive actually said "*In answer to: Has the letter been provided? **No. One***"

***has not been provided.** Therefore the sub-questions two and three fall away because, obviously, a letter has not been provided".*

The Deputy Chief Executive did not use the word "YET".

The word "YET" should be removed from the minutes. Leaving it there would suggest the Deputy Chief Executive was prejudging a Cabinet decision on 3 Rivers.

My question is:

When considering approval of the draft minutes of the previous meeting, will Members please remove the word "YET" from the Deputy Chief Executive's response to the public questions?

The Chairman stated that this would be discussed by the Committee when that item was reached on the agenda.

62. **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

Cllr R L Stanley stated that, should 3 Rivers be discussed during the course of the meeting, he had a pecuniary interest as he was a Director of the company.

63. **MINUTES OF THE PREVIOUS MEETING**

The Chairman asked whether anybody had listened to the audio recording of the previous meeting under agenda item 48, Public Question Time, in order to check for the use of the word 'yet' by the Deputy Chief Executive. It was confirmed that he had not used this word. Therefore, it was agreed that this word should be removed and accordingly the minutes of the meeting held on 24 January 2023, as amended, were confirmed as a true record and **SIGNED** by the Chairman.

64. **CHAIRMAN'S ANNOUNCEMENTS (00:11:00)**

The Chairman had the following announcements to make:

- This was the last meeting under the present administration.
- Since Cllr A Wyer would not be standing in the upcoming election he thanked him for his service to the Committee as the Vice Chairman over the last 4 years.

65. **CORPORATE PERFORMANCE REPORT (00:13:00)**

The Committee had before it, and **NOTED**, a report * from the Corporate Performance and Improvement Manager and the Corporate Manager for People, Performance & Waste providing Members with an update on performance against the Corporate Plan and local service targets for quarter 3 (2022/2023).

It was explained that performance and risk reporting had now been separated out allowing for each area to receive greater focus.

Discussion took place regarding:

- The chargeable household waste measurement had out performed previous predictions.
- Levels of missed collections were very low.
- Customers using the electric car charging points paid using a smart card.

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

66. **CORPORATE RISK REPORT (00:19:00)**

The Committee had before it, and **NOTED**, a report * from the Corporate Performance and Improvement Manager and the Corporate Manager for People, Performance & Waste providing Members with an update on Corporate Risk for quarter 3 (2022/2023).

The Committee were asked to review the Corporate Risk Register which was now presented in a new format highlighting significant risks.

Consideration was given to:

- How new risks might be incorporated into the Risk Register. It was explained that ultimately Leadership Team decided whether a risk should go into the register. However, to support that process the Corporate Management Team met every quarter to discuss new and emerging risks.
- All Members had an opportunity to feed into the financial decisions of the Council, not just the Cabinet. This was particularly the case during the budget setting process where draft budgets were presented to the Policy Development Groups for comment.
- It was confirmed that two financial bids had been made in relation to the Cullompton Relief Road but these had been unsuccessful. All sources of available funding were being explored.
- The challenges faced by the next administration.
- The revised report format, now with colour, was an improvement.
- Members should let senior officers know if they think a risk should be included within the register.

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

67. **RISK MANAGEMENT POLICY (00:32:00)**

The Committee had before it a report * from the Corporate Performance and Improvement Manager and the Corporate Manager for People, Performance & Waste presenting it with the updated Risk Management Policy.

Officers explained that this was the usual annual review of the Risk Management Policy which included recommendations from Internal Audit and input from Leadership Team. Training would be rolled out to staff in the near future.

RESOLVED that the update Risk Management Policy be approved.

(Proposed by the Chairman)

Reason for the decision

As set out in the report

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

68. **INTERNAL AUDIT PROGRESS REPORT (00:35:00)**

The Committee received, and **NOTED**, a report * from the Devon Audit Partnership which highlighted the following:

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

- The report included summaries in Appendix 1 of eight audits delivered since the last audit report; these included one Substantial, six Reasonable and one Limited Assurance report.
- The actual audit reports had been circulated to Committee members in advance of the meeting.
- The Repairs and Maintenance area needed some improvement to the systems and processes in place but these were in hand and being addressed.
- The new style of reporting Risk to members was in line with good practice.
- Some concerns were raised regarding business continuity planning.

Consideration was given to:

- Resource and software issues within the Repairs and Maintenance area. It was noted there were also difficulties in retaining and recruiting officers in this area.
- The opportunities available for income generation, for example, repairs and maintenance on private properties.
- The problem of addressing internal audit recommendations related to Business Continuity and Emergency Planning as resource has not been provided. A new Business Continuity and Emergency Planning role is proposed, however, this post would come at an additional cost to the authority. It was considered that risks in relation to the concerns raised should be flagged up as a risk area and given a greater emphasis.

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

69. **INTERNAL AUDIT CHARTER AND STRATEGY (00:54:00)**

The Committee had before it, and **NOTED**, a report * from the Devon Audit Partnership setting out the Internal Audit Charter and Strategy for 2023/2024.

A brief discussion took place regarding the benefits afforded to Mid Devon District Council as a result of being within the Devon Audit Partnership with a large number of qualified staff. The audit manager noted it was a priority of his to compare and contrast with other authorities within the partnership to help identify and communicate good practice.

RESOLVED that the Internal Audit Charter and Strategy for 2023 – 2024 be approved.

(Proposed by the Chairman)

Reason for the decision:

As set out in the report.

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

70. DAP INTERNAL AUDIT PLAN 2023 - 2024 (00:56:00)

The Committee had before it a report * from the Devon Audit Partnership setting out the Internal Audit Plan for 2023 – 2024.

It was explained that the plan was a live document and audits could be brought into it as and when required.

Consideration was given to:

- A reduction in the number of available audit days compared to the previous plan. There was a financial implication to the Council if the number of days was increased. Reassurance was provided that the number of days stated would be enough to cover a good range of work and allow the required annual assurance opinion.
- The effort being taken to address issues identified in the Building Control area with a new manager in post.

RESOLVED that the Internal Audit Plan for 2023 – 2024 be approved.

(Proposed by the Chairman)

Reason for the decision:

As set out in the report.

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

71. ACCESS TO INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC (01:07:00)

The Chairman indicated that discussion with regard to the following items, required the Committee 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 would 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.

RESOLVED: That, in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the item 13, for the reason set out below:

- Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person including the authority holding that information).

(Proposed by the Chairman)

72. CYBER SECURITY REPORT 2022-2023 (01:08:00)

The Committee had before it, and **NOTED**, a report * from the Devon Audit Partnership summarising a recent Cyber Security Internal Audit.

The Committee considered the information presented to it and had a brief discussion.

It was **AGREED** that officers would provide a progress update report to the next meeting.

The meeting returned to open session.

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

73. EXTERNAL AUDIT PROGRESS REPORT (01:27:00)

The Committee received a verbal update from Grant Thornton on the work of the external auditors since the last meeting.

This included the following update:

- The certification of the Housing Benefit claim was almost complete. Some issues had been identified but nothing of significance.
- Grant Thornton were waiting for the auditors opinion on 3 Rivers before they could complete their audit on the Financial Statements. The same was also true for their Value for Money opinion.

A brief discussion took place regarding the 3 Rivers audit, the outcome of which was expected next week. It was likely that the report would have some material implications for the authority. It was felt that the timing of the auditors report on 3 Rivers was crucial.

74. CHAIRMAN'S ANNUAL REPORT FOR 2022/2023 (01: 36:00)

It was **AGREED** that the Chairman's Annual Report for 2022/2023 be approved and be presented to full Council on 26 April.

75. **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:37:00)**

The Committee had before it, and **NOTED**, the items identified for the next meeting. It requested that an update on the Cyber Security audit also be brought to the next meeting.

(The meeting ended at 7.08 pm)

CHAIRMAN