

## **MID DEVON DISTRICT COUNCIL**

**MINUTES** of a **MEETING** of the **AUDIT COMMITTEE** held on 22 August 2023 at 6.15 pm

### **Present**

#### **Councillors**

L G J Kennedy (Chairman)  
E Buczkowski, C Connor, J M Downes,  
G Duchesne, L Knight (Vice Chairman),  
R Roberts and S Robinson

### **Apology**

#### **Councillor**

M D Binks

### **Present**

#### **Virtually**

A Glover

### **Also Present**

#### **Councillors**

D Broom, J Buczkowski, G Czapiewski, C Harrower,  
B Holdman and D Wulff

### **Also Present**

#### **Officers**

Andrew Jarrett (Deputy Chief Executive (S151)), Matthew Page (Corporate Manager for People, Governance and Waste), Lisa Lewis (Corporate Manager for Business Transformation and Customer Engagement), Dr Stephen Carr (Corporate Performance & Improvement Manager), Paul Deal (Corporate Manager for Finance, Property and Climate Change), Paul Middlemass (Audit Manager), David Parker (Member Services & Policy Research Officer) and Sarah Lees (Member Services Officer)

### **Also in**

#### **Attendance**

Andrew Davies (Grant Thornton)

## **18. APOLOGIES**

Apologies were received from Cllr M Binks.

## **19. PUBLIC QUESTION TIME**

No members of the public had registered to ask a question.

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

No interests were declared under this item.

## 21. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 27 June 2023 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

## 22. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements to make.

## 23. CORPORATE PERFORMANCE REPORT (00:06:00)

The Committee had before it, and **NOTED**, a report \* from the Corporate Manager for People, Governance & Waste and the Corporate Performance and Improvement Manager providing it with an update on performance against the Corporate Plan and local service targets for quarter 1 (2023/24).

Discussion took place regarding:

- Why there had been a downward percentage drop in urgent housing repairs between April and June? It was stated that the relevant officers would be contacted to find out the reason for this which would be reported back to the Committee.
- It was queried why there had been a sharp increase in complaints. It was clarified that the performance indicator presented complaints to date (cumulatively). The number of complaints is relatively consistent from month to month.
- Data in relation to the number of Gypsy and Traveller Pitches completed was only collected once a year and would next be collected in March 2024.
- Council Tax collection rates were affected by factors such as the cost of living crisis. The Government had introduced a number of schemes to try and support people. The Council was now back to regular monitoring and engagement with those in arrears. This was not included on the Risk Register as it was felt that the level of arrears were within manageable tolerances.

Note: \*Report previously circulated.

## 24. CORPORATE RISK REPORT (00:19:00)

The Committee had before it, and **NOTED**, a report \* from the Corporate Manager for People, Governance & Waste and the Corporate Performance and Improvement Manager providing it with a quarterly update on the Corporate Risk Register.

Discussion took place regarding:

- The risk rating in relation to the Culm Garden Village. The rating of 16 related to the funding sources in place for the Culm Garden Village rather than the delivery of the project, such as infrastructure considerations.
- The risk rating of 12 in relation to the housing crisis and whether or not this was high enough. It was explained that the Register recorded risk ratings as they reflected the risk to the Council, of course it was the case that the risk to the community would be far higher.

Note: \*Report previously circulated.

**25. DRAFT ANNUAL GOVERNANCE STATEMENT 2022-2023 (00:21:00)**

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 a quarterly update on the Corporate Risk Register.

The following was highlighted within the report:

- This report reviewed governance in arrears, that is, the previous financial year and assessed arrangements against a number of criteria.
- The overall framework of the governance arrangements were reviewed as well as the internal audits undertaken throughout the year and the resulting opinions. It also considered external audit comments and provided links to a number of Council policies.
- It was stated that this document should be viewed in conjunction with the Statement of Accounts.
- This was a live document and would remain so until it was signed off alongside the accounts in due course.

Note: \* Report previously circulated.

**26. DRAFT STATEMENT OF ACCOUNTS (00:24:00)**

The Committee had before it, and **NOTED**, the draft Statement of Accounts \* for 2022/23. This was published on the website and had been presented for external audit.

The following was highlighted:

- The external audit was under way on the 2022/2023 accounts and it was hoped the final accounts and the auditors opinion would be brought to the next Audit Committee meeting in October.
- Some reinstatement had been needed due to a diverse range of factors such as the impairment of loans to 3 Rivers, staffing costs and a VAT refund.
- Explanations were provided in relation to the balance sheet, cash flow statement, collection fund.
- Key issues for the audit during the year had included: income not yet returning to pre-Covid levels, the cost of living crisis, the cost of temporary staff and costs in relation to new scheme implementations such as Bin-It 123.

Consideration was given to:

- Capital receipts, where they were shown and what was actually meant by this.
- Treasury investment returns were shown at note no. 9 on page 174 and were also reported to the Cabinet.

Note: \* Draft Statement of Accounts circulated previously.

27. **ACCESS TO INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC (00:31:00)**

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)

28. **CYBER SECURITY & INFORMATION GOVERNANCE UPDATE (00:35:00)**

The Committee had before it a report \* from the Corporate Manager for Digital Transformation & Customer Engagement providing an update on Cyber Security activities and risk mitigation over the past few months. It also included updates on the activity and challenges around meeting the high level audit recommendations as detailed in the Internal Audit.

Due to the confidential nature of the subject, a discussion followed under Part II arrangements and a number of issues were discussed.

**RESOLVED** that an extension of time in relation to item 8.1 on the Cyber Security and ICT Core Audit 2022 – 23 be approved.

(Proposed by the Chairman)

Note: \* Report previously circulated.

29. **DAP INTERNAL AUDIT PROGRESS REPORT (00:57:00)**

The Committee had before it, and **NOTED**, a report \* from the Devon Audit Partnership providing a progress update report for the year to date.

The following was highlighted within the report:

- The Internal Auditor's opinion at this point in time was one of 'Reasonable Assurance' based on the work undertaken in the year to date.
- Summaries of the audits undertaken were contained in Appendix A.

- In relation to addressing weaknesses identified in the Information Management Audit, a Data Protection officer had been appointed and was making good progress.
- The Council had good arrangements in place with regard to health and safety, for example, now that the Council had adopted hybrid working conditions for some posts, each officer was required to complete a DSE assessment.
- A summary of local fraud protection was also provided in the report.
- The number of high and medium level outstanding recommendations had reduced slightly since the last meeting. It was the responsibility of officers to keep SPAR updated.

Consideration was given to whether the audit opinions were benchmarked nationally. It was explained that guidance on the assurance opinions was provided by the Chartered Institute of Public Finance (CIPFA) and their application was fairly consistent across local Councils.

Note: \* Report previously circulated.

### 30. **DAP PROPOSAL TO CREATE INDEPENDENT MEMBERS TO THE AUDIT COMMITTEE (01:01:00)**

The Audit Manager from the Devon Audit Partnership informed the Committee that the Redmond Review had recommended that Audit Committees have at least one independent member on them, CIPFA has subsequently issued guidance that two members should be on committees. DAP was supporting a recruitment campaign along with partners such as Devon County Council to recruit people with relevant financial expertise and knowledge of local authority finance. It was acknowledged that elected councillors did not always have the necessary knowledge or expertise to pass judgement on all matters before them therefore an independent view would be of great assistance. The Committee therefore supported this approach and looked forward to receiving news regarding this in due course.

The Committee were also informed that DAP were running a free training event in November at Buckfast Abbey to which all Audit Committee Members were invited. Details had been circulated.

### 31. **EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE (01:07:00)**

The Committee had before it, and **NOTED**, a report \* from Grant Thornton providing a progress update on work undertaken in the year to date. It also included a Sector Update.

The following update was provided:

- Regarding the 2021/22 accounts they had two responsibilities, one was to provide an overall opinion on the Financial Statements, the other was to provide an opinion on the Value for Money (VFM) arrangements. The VFM opinion had been given to the Committee at their June meeting, it was hoped the opinion on the accounts would be given at the October meeting. The audit had gone smoothly but they were awaiting some technical information regarding 3 Rivers before issuing a final opinion. They were satisfied the adjustments had been made regarding the pension liability.

- The audit regarding the 2022/23 accounts had begun in July and so far there had been no significant areas of concern. It was hoped that an opinion on this audit would also be brought to the October meeting.

Consideration was given to:

- The Chairman hoped that there would be an unqualified opinion on the accounts given the effort the new Cabinet had gone to to address concerns regarding 3 Rivers.
- The Council's best endeavours to move towards the net zero target whilst also not bankrupting itself. The effect of providing services on climate change needed to be embedded in everything the Council strived to achieve.

Note: \* Report previously circulated.

### 32. **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:20:00)**

The Committee had before it, and **NOTED**, the items identified in the work programme for the next meeting. It was also stated that the external auditors were aiming to bring their opinion on the 2022/23 accounts to the next meeting as well.

(The meeting ended at 7.37 pm)

**CHAIRMAN**