

Audit Committee Public Questions and Answers (30th September 2025)

Name of person submitting	Questions
Barry Warren	My questions relate to Items 4, 8 and 9 on the agenda. <u>Question 1</u> Agenda Item 4 records the minutes of the previous meeting of the Audit Committee. Minute 4 records my questions but not the responses which were subsequently sent to me after that meeting and filed with the papers of the previous meeting. Why are the answers to the questions not reported to this meeting as required by the MDDC Constitution? [Paragraph 9.4 page 100.] Response from the Clerk of the Audit Committee: <i>Thank you Mr Warren for your first question regarding the answers to your public questions from the previous meeting not being included as part of the agenda pack for this meeting tonight.</i> <i>This was my error as Clerk and I offer you my apologies. For Members reassurance, the answers to the questions asked by Mr Warren's on 24th June 2025 were published on the website within the ten day timescale and sent to the questioner and the Committee at the same time. However, they were not included as part of the minutes in your agenda pack for this evening. This has now been corrected so that they are <u>now</u> showing as part of the agenda and every effort will be made to include written answers to public questions in agenda packs for all future meetings as per the Constitution.</i>

In relation to agenda items 8 and 9 I have forwarded a Briefing Document and Appendix to each member of the committee which I had earlier forwarded to DAP and Bishop Fleming. Bishop Fleming extended me the courtesy of acknowledging my email but I have heard nothing from DAP in spite of a request for an acknowledgement.

Question 2

Has Devon Assurance Partnership received the documents?

Response from the Chair of the Audit Committee:

The questioner acknowledged the response to Q1 provided and therefore agreed this question was superseded.

Question 3

Do Devon Assurance Partnership act on information from the public or do they only work to Terms of Reference given them by MDDC Officers?

Response from Devon Assurance Partnership:

The Devon Assurance Partnership (DAP) primarily operates under a risk-based audit plan that is developed in consultation with senior officers and approved by the Audit Committee of Mid Devon District Council (MDDC). This plan is aligned with the council's strategic objectives and risk profile, and it forms the basis of DAP's internal audit work.

However, DAP and MDDC are committed to transparency and accountability. While DAP does not typically initiate audits solely based on public submissions, information provided by members of the public—particularly where it relates to governance, fraud, or financial irregularities—can be valuable. Such information may be referred to relevant officers or committees and, where appropriate, could inform future audit planning or be escalated through the council's governance or whistleblowing procedures.

If you have specific concerns or information you believe should be considered, I would encourage you to submit them through the appropriate channels, such as the council's complaints process, whistleblowing policy, or via a Freedom of Information (FOI) request.

Question 4

The Devon Assurance Partnership report contains reference to Home Office guidance on the new Criminal Offence of “Failure to Prevent Fraud”. My briefing document has drawn attention to the authorisation for payment of invoices, for 6 figure sums, by a Senior Officer. FOI responses (confirmed on review) show that the Council does not hold any evidence to show that such authorisation was justified.

Doesn't allowing such authorisation without records of evidence for future reference (which must be a Red Flag for Auditors and Audit Committee) increase the possibility of External Fraud?

Response the Devon Assurance Partnership:

Key financial systems are a core component of our audit work, and to date, our reviews have not identified any significant areas of concern. We are currently undertaking further work on these systems as part of our 2025/26 audit programme. Your briefing document has been noted and will be considered as part of this ongoing work. Any findings arising from our reviews will be communicated to both management and the Audit Committee upon completion.

Question 5

The External Auditors are only providing a verbal update and therefore members of the public have no opportunity to avail themselves of the information to be provided to enable them to consider whether or not to raise any issues which may benefit or clarify matters for the Council Tax Payers of Mid Devon.

Are the External Auditors looking into the invoices, payments and value for money in relation to dealings of the 'partnership' between the Council and the suppliers of the modular homes?

Response from Bishop Fleming:

The rights of members of the public and the process to ask questions of the external auditor is derived from the Local Audit and Accountability Act 2014 and are explained in the National Audit Office publication: Local authority accounts: A guide to your rights.

Registered electors can ask formal questions of the auditor under the Act during the 30 working day inspection period for the accounts, which has already passed. Outside of this period members of the public can ask questions of the auditor, but these are not formal questions under the Act. If, after considering the publication, a member of the public wants to ask a question of the external auditor they should contact the auditor directly in writing.

Question 6

If they are looking into the issue is there any feedback as to findings or action to date?

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Paul Elstone	<u>Question 1</u> Agenda Item 8 Devon Assurance Partnership Internal Audit Progress Report. Appendix 1 Procurement - which is shown as Green and reported as FINAL, says: “There is a requirement for the Council to maintain and publish a contracts register. This is published on the Councils website”. It also says, “The Operations Manager for Financial Services is confident the register is up to date.” I strongly believe this to be inaccurate. As examples there are only two ZED PODS contracts shown on the Contract Register. One for £2.3 million and believed to be for Shapland Place. Another for £11 million and for undefined projects. Both contracts expired in 2024. There are no active ZED POD contracts shown on the Contracts Register this despite it is known that at there are at least 5 projects in build at the moment and with several more in other stages of development. Projects with very substantial cost running into many many millions of pounds involved. DAP once again it seems have placed full reliance on MDDC Officer responses, Will DAP look AGAIN into the Contract Register position and in full detail and with particular reference to ZED PODS? Response from Devon Assurance Partnership: <i>Our recent audit work on Procurement has not raised any significant issues. We will review your concerns and any further findings will be reported to both management and the Audit Committee.</i>
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Question 2

Can it be explained if DAP's remit was/is to examine MDDC's full compliance with the Local Government Transparency Code 2015.

I ask this question as I believe there to be a catalogue of non-compliances.

This involving.

1. Failure to publish details of the Councils Land and Building Holdings.
2. A failure to publish details of ALL Procurement Contracts exceeding £5,000.
3. Failures to always provide proper details of the purpose of expenditures over £500.
4. Failure to properly report VAT recoverable status.
5. Failure to publish an organisation chart for the top 3 levels of the organisation that is fully compliant with the transparency code requirements.

Will DAP and Bishop Fleming fully examine these PUBLIC concerns?

Response from the Devon Assurance Partnership:

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Question 3

There is very good reason to believe that there are some quite serious issues with the billing and payment system involving the modular home projects.

Issues involving but not limited to

1. Double billing.
2. Inappropriate charging of the 15% overhead and profit uplift on certain invoices.
3. Substantial charges being made against the repairs revenue budget when they are very clearly capital cost for developments.
4. Invoices being paid which just say for "Professional Fees" and nothing else.

I have been made aware that some of these billing issues are not an isolated example to this Council and something that I will refer to Bishop Fleming separately.

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