

Minutes of the Audit Committee

27 March 2024

-: Present :-

Councillor Penny (Chairman)

Councillors Brook (Vice-Chair), Fellows and Long

Mr Kristian Hawkes (Independent Person)

23. Apologies

The Chairman welcomed Christian Hawkes, Independent Person and received apologies for absence from Councillors Harvey, Hutchings and Maddison.

24. Minutes

The Minutes of the meeting of the Audit Committee held on 24 January 2024 were confirmed as a correct record and signed by the Chairman.

25. External Audit of Accounts

Members noted a report that provided an update on the progress of the audit of the Council's financial statements for 2021/22, value for money, Housing Benefit Subsidy certification work and set out the fees for 2023/2024.

Liam Royle, Public Sector Audit Manager of Grant Thornton informed Members that work was continuing to ensure the audit of the financial statement for 2021/22 were completed by the end of April with reporting to Audit Committee expected in May. Members acknowledged the significant level of resource that had been required to reconcile the trial balance, working papers and draft accounts and were reassured that to date no material errors had been found.

26. Addressing the Audit Backlog in England: Consultation

Members noted the report that provided an update on the recent Department for Levelling Up, Housing & Communities (DLUHC) consultation on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog of audits and to put the system on a sustainable footing. Members were advised that the Council had responded to the consultation highlighting the challenge of working on multiple years accounts.

Members sought clarification as to what would happen with the 2022/23 accounts and what assurance they would gain from them. The Director of Finance advised that the

assurance would be very limited as Grant Thornton would not undertake an audit as the backstop option for 2022/23 Statement of Accounts would be utilised if the legislation proposed as part of the consultation was passed. However, the Director of Finance advised that at present the audit of the 2021/22 financial statements has not raised any major issues, therefore to some extent there shouldn't be any in 2022/23.

Members welcomed the suggestion of an informal workshop on the Statement of Accounts to aid understanding of a complex and technical report.

27. Internal Audit Charter and Strategy

Members noted the submitted report which detailed the Audit Charter and Internal Audit Strategy. The Head of the Devon Audit Partnership informed Members that the Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which was provided by the Devon Audit Partnership (DAP), and the scope of Internal Audit work. The accompanying Audit Strategy had been designed to deliver the requirements outlined within the Charter.

28. Internal Audit Plan 2024-25

The Audit Committee noted the report that set out the Internal Audit Plan for 2024-25. The Head of the Devon Audit Partnership, informed Members that the audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. Members were advised that the Audit Plan had been developed following consideration of various factors including global risk themes, risks to the Council as outlined in the Council's risk register, and the views of Directors, Senior Officers and Members. The Audit Plan needed to be flexible in order for Internal Audit to be more agile and responsive to changing risks, therefore as the year progresses, any changes to the Audit Plan would be agreed by the Section 151 Officer with the Audit Committee being notified via Internal Audit's monitoring reports.

Members queried the number of days allocated to Children's Services compared to Adult Services. Members were advised that Audit South West provided audit coverage for the adult social care services provided by the Integrated Care Organisation with the findings reported to the Director of Adult Services. Overall, Members concluded that the 2024-25 Audit Plan, compared to previous years seemed to be a 'reasonable fit'.

29. Risk Management Update

Members received an update on the council's current risk position and the council's overall risk management arrangements. Members were informed that the council had made very good progress in embedding its new risk management processes and implementing the actions as detailed in the Risk Management Improvement Plan. During November and December 2023 Devon Audit Partnership (DAP) carried out an internal audit of the Council's risk management. The outcome was pleasing considering the improvement journey that had taken place in a short period of time (two years). DAP were "reasonably assured" with the Council's documentation, processes and arrangements. A Phase 2 Risk Management Improvement Plan was

being drafted to embed the auditors' recommendations and continue the good work that had been achieved to date.

Members recognised the improvements made in the Council's approach to risk management and the efforts to embed risk management across the organisation. Members, did seek clarification regarding the direction of travel as there was the perception that risks had 'flat lined', with Members also noting inconsistencies with regards to the level of detail in the notes, suggesting some elements of the notes could be standardised, to provide the same level of detail across all risks.

Members noted the submitted report and requested:

- 1) future iterations track movement and trends from previous quarters; and
- 2) the Director of Corporate Services develop an element of standardisation for the notes.

30. Performance Update: Collection of Council Tax & Non-Domestic Rates

Members received the submitted report and were informed by the Head of Corporate Finance that Council Tax processing had reduced from 26 weeks to 8 weeks as previously reported and remains at 8 weeks showing signs of stabilisation. Members were advised that CIVICA on Demand was currently working with the Council's Corporate Debt Team, to look at the levels of Council Tax arrears that were recoverable.

Members noted the submitted report and requested the update be provided at every other meeting instead of every meeting.

31. Audit Committee Work Programme 2024/2025

Members noted the work programme and the following changes since its publication:

- 1) Performance Update: Collection of Council Tax and Non-Domestic Rates being reprogrammed for every other meeting; and
- 2) The 2023/24 Torbay Council Audit Findings Report (Grant Thornton) being moved to January 2025.

Chairman/woman