

TORRIDGE DISTRICT COUNCIL

AUDIT & GOVERNANCE MEETING

Town Hall - Bridge Street, Bideford, EX39 2HS

Tuesday, 4 April 2023 - 2.00 pm

PRESENT Councillor P Hackett (Chair)
Councillor R Craigie (Vice-Chair)
Councillors D Bushby, K Hepple and C Hodson

ALSO PRESENT S Dorey - Head of Legal & Governance (Monitoring
Officer)
D Heyes - Finance Manager (Section 151 Officer)
J Jewell - ICT Security & Infrastructure Specialist
J Walter - Strategy, Performance & ICT Manager
S Cawsey - Democratic Services Officer
A Davies - Grant Thorntons
P Middlemass - Devon Audit Partnership

APOLOGIES

An apology for absence was received from Councillor Lock.

60. MINUTES

The minutes of the meeting held on the 17 January 2023 were presented.

It was proposed by Councillor Hackett, seconded by Councillor Bushby and –

Resolved:

That the minutes of the meeting held on 17 January 2023 be confirmed as a correct record.

(Vote: For - Unanimous)

61. DECLARATION OF INTERESTS

There were no declarations of interest.

62. AGREEMENT OF AGENDA ITEMS PART I AND II

It was proposed by Councillor Hackett, seconded by Councillor Hodson and –

Resolved:

The agenda as circulated was agreed.

(Vote: For – Unanimous)

63. URGENT MATTERS BROUGHT FORWARD WITH THE PERMISSION OF THE CHAIR

There were no urgent matters brought forward.

64. DRAFT DAP INTERNAL AUDIT PLAN FOR TORRIDGE DISTRICT COUNCIL 2023-24

The Devon Audit Partnership (DAP) Manager presented the report, the purpose of which was to provide Members with the draft internal audit plan for review and agreement.

The draft Audit Plan is for the current year starting in April 2023. The Plan being proposed is for 177 days, a slight increase from the previous year's Plan. The Plan includes specific follow ups of areas, such as Housing Options and the annual audit on cyber security. It is intended to be a live Plan so matters will be included as and when they arise.

The Committee were referred to Appendix A attached to the report which sets out a list of audits proposed to be carried out in the current year. Members were asked to consider whether they require any further Audits to be carried out.

The Finance Manager corrected Member comments in relation to fraud – there has been fraud detected in Housing Benefits claims and Council Tax Discounts.

Members noted the report.

65. AUDIT REPORTS ISSUED TO DATE

The purpose of the report, presented by the Devon Audit Partnership (DAP) Manager, was to provide a summary of the Internal Audit reports issued since the last Audit & Governance Committee to enable Members to discuss any matters they wish to raise.

The DAP Manager referred to a recent report on cyber security which he had circulated to Members - this had not been summarised in his report as Officers will be giving an update on cyber security in Part II of the meeting.

There were three audit reports for Members to note:

- Estate Management
- Disabled Facility Grant
- Housing Benefits

These are the final reports issued to date and not included in previous committee reports.

In terms of the above Audits the DAP Manager commented briefly on each as follows:

Estate Management – this is a follow up of the work carried out last year. Welcomed the new Strategic Asset Plan, this is good practice.

Housing Benefit and Council Tax Support – the diagram showing the level in reduction of debt was missing from the Agenda. There has been a steady reduction over the last five years from about £1m debt to around £553k. Overpayments are well managed.

Investigation into Disabled Facility Grants – lack of clarity on the discretion of Officers in terms of what they could approve leading to instances where the spend is above limits.

Members noted the report.

66. EXTERNAL AUDIT PLAN

The Engagement Manager, Mr Andrew Davies, from Grant Thornton gave a verbal update on the current position regarding the various deliverable before going onto the 22/23 Audit Plan. Following on from the previous Committee, the 2020/21 Opinion has been issued, as well as the Certificate closing that particular Audit year.

2021/22 in terms of the financial statement side of the work, that work has finished but has not yet been signed. There is likely to be a further delay because the previous day the tri annual review of the pension fund was completed, and that report has been issued. The effective date of that report is 31 March 2022. Therefore, all firms must have regard to this now – effectively this is a post balance sheet event because as at that date there will be a balance sheet figure stating there is a pension liability and a reserve that matches that. Need to be assured whether the number has changed and to ascertain whether an extra disclosure needs to go into the accounts. All 2021/22 signings have been paused until this has been resolved by the firm asap. Leadership at Grant Thornton have taken a sample of a few of their clients to see what impact there will be. It is expected it will require further disclosure in the accounts before they can be signed off.

2021/22 VFM work still in progress and is being carried out in tandem with 2022/23 VFM work. Will come into the Plan. Looking to get as much done prior to David Heyes leaving the Authority – working with the Team to tray and mitigate risks.

The Audit Plan for the year ending 31 March 2023, was presented to Members which provided them with an overview of the planned scope and timing of the statutory audit of the Council for those charged with governance.

The report aims to communicate the key focus areas and the significant risks identified by Grant Thornton. There are additional risks listed because of the Group Audit which is a significant change. It is the first time the Council will have

produced Group Accounts and has been included to ensure it receives the attention it deserves particularly in the first year and to make sure all the disclosures are correct.

Due to this being the first year for Group Accounts, a detailed account of the audit process and risks involved was given. It also included the process undertaken by Active Torridge Auditors.

Councillor Bushby referred to the Active Torridge accounts and expressed a need to know on an annual basis exactly what the costs are to TDC. The Finance Manager advised that within Active Torridge TDC have paid a Management Fee and within their budget there is a budget for audit costs for Westcott Auditors. There will also be an additional cost from Grant Thornton to TDC of £5k.

The Chair thanked Andrew Davies for the work they have undertaken.

Members noted the report.

67. AUDIT AGREED ACTIONS

The Finance Manager (S151 Officer) presented the report and provided an update on progress with implementing the agreed actions. Reports are received throughout the year from DAP who are the Internal Auditors, and those reports detail their findings. Management responds to the findings to say what actions will be taken.

The Finance Manager has reviewed all the Auditor reports issues and extracted Management responses that are late. These are summarised on the document attached to the Agenda.

The purpose of the report is to report back to Members when Management have not met set deadlines.

Members noted the report.

68. NON COMPLIANCE WITH PROCEDURE RULES AND WAIVERS

The Finance Manager (S151) Officer presented the report, the purpose of which was to provide Members with an update on any matters of non-compliance with the Contract and Financial Procedure Rules and Waivers approved by the Chief Executive and Section 151 Officer.

The report details the instances where the Council has not abided by its own Financial Procedures.

Details were provided in relation to the number of waivers, what the waiver related to and the reasons as to why the Financial Procedures were not adhered to.

The number of waivers for 2022/23 was, in the opinion of the S151 Manager an acceptable level.

Legal advice was given by the Head of Legal.

Members noted the report.

69. FORWARD PLAN

The Forward Plan was reviewed and updated.

The Finance Manager requested that a Going Concern Report be included for the 18 July meeting.

70. EXCLUSION OF THE PUBLIC

It was proposed by Councillor Hackett, seconded by Councillor Hodson and –

Resolved:

That the public be excluded from the remainder of the meeting because of the likely disclosure of exempt information by virtue of paragraph 3 of Part I and paragraph 10 of Part 2 of Schedule 12A of the Local Government Act 1972.

(Vote: For – Unanimous)

71. PART II (CLOSED SESSION)

72. CYBER SECURITY UPDATE

The Strategy, Performance and ICT Manager gave an update on cyber security.

A video was shown to Members of a Council who had suffered a severe cyber attack and the devastating consequences following the attack.

Following the presentation, Members expressed their shock at the methods and level of destruction these attacks cause.

73. HOUSING OPTIONS AUDIT UPDATE

The Head of Legal presented this item and gave an update on the Housing Options Audit for 2022-23.

An audit had been requested and the reasons for this were given. It was acknowledged that the Housing Team have a difficult job especially during the pandemic and the knock on effects from that.

The update provided details of the following:

- The statutory duties of the Authority
- The extra duties required from the Authority during the pandemic

- Processes
- Numbers of those in temporary accommodation
- Private rental properties – rents are currently high
- Work being undertaken by the Project Team

The Head of Legal addressed concerns raised and responded to questions asked.

LOCAL GOVERNMENT ACT 1972 (AS AMENDED)

It was proposed by Councillor Hackett, seconded by Councillor Bushby and –

Resolved: That the press and public be readmitted.

(Vote: For – Unanimous)

Councillor Hackett, as Chair, thanked Members of the Committee, Officers, Paul Middlemass from DAP, and Grant Thornton for all their hard work.

The meeting commenced 2.00pm and closed at 4pm