



Cllr Hodson – Vice Chair	X		
Cllr Jones			
Cllr Rossi			

(Vote - Unanimous)

Following a query from Councillor Craigie as to whom, from TDC, attends the pension scheme AGM the Finance Manager & Section 151 Officer confirmed that he had attended the last pre COVID physical meeting. He advised he will check when the next virtual meeting is scheduled for and let Councillor Craigie know as she would like to attend.

44. ACTION LIST

Minute Number 121

Councillor Hodson re-iterated the importance of a sharing information protocol across county authorities and that a formal procedure needs to be constructed. The Head of Legal and Governance (Monitoring Officer) advised she is the lead for safeguarding and attends external safeguarding meetings with other Devon Authorities. Regarding an individual's welfare there are no restraints concerning information sharing. The Public Health & Housing Manager and the Housing Options Team Leader attend regular multi agency meetings for that purpose however the Head of Legal & Governance (Monitoring Officer) advised she would ascertain whether there is a formal protocol in place county wide as well as TDC's own internal safeguarding policy.

45. DECLARATION OF INTERESTS

There were no declarations of interest.

46. AGREEMENT OF AGENDA ITEMS PART I AND II

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

Resolved:

That the Agenda as circulated be agreed.

A recorded vote was taken.

Councillor	For	Against	Abstain
Cllr Craigie	X		

Cllr Hackett – Chair	X		
Cllr Hepple	X		
Cllr Hodson – Vice Chair	X		
Cllr Jones			
Cllr Rossi			

(Vote – Unanimous)

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

There were no urgent matters brought forward.

48. CODE OF GOVERNANCE

The Service Improvement Officer presented the report for consideration as it is necessary for the Council to carry out an annual review of its Corporate Governance arrangements.

The key functions have been revised due to the Council's re-structure last year.

Following a query from Councillor Craigie regarding the lack of detail on environment benefit and sustainability the Service Improvement Officer advised this document is more generic across all Councils however further information can be added via the evidence database.

Councillor Hodson suggested the role of Lead Members be added to which the Service Improvement Officer agreed and advised this would be actioned.

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

Resolved:

That the revised Code of Corporate Governance be approved with the following amendments:

- More detail on environment benefits and sustainability
- Add role of Lead Members.

A recorded vote was taken.

<b>Councillor</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Cllr Craigie	X		

Cllr Hackett – Chair	X		
Cllr Hepple	X		
Cllr Hodson – Vice Chair	X		
Cllr Jones			
Cllr Rossi			

(Vote – Unanimous)

49. AGS - REVIEW OF EVIDENCE

The Service Improvement Officer presented the report, the purpose of which was to satisfy the Committee that the AGS Supporting Evidence reflects the governance framework.

Following a query from Councillor Craigie asking if the Councillor Climate Change Working Group could be consulted more on big capital decisions, the Service Improvement Officer advised this would fall under C2.2 and he would add more detail. It was advised that the Public Health & Housing Manager has put together a list so that all new Business Plans meet a Climate Change criteria.

Both the Head of Legal & Governance (Monitoring Officer) and the Finance Manager & Section 151 Officer confirmed to Councillor Craigie the importance of the Councillor Climate Change Working Group and that is why it has now been formally recognised in the new Constitution; however, it is not a decision-making group and only makes recommendations to the Community & Resource Committee. It would be difficult to put everything through the Councillor Climate Change Working Group however new Business Plans will start to come to the Working Group soon. Once the budget has been agreed for the new Environmental Centre this will also be presented.

Councillor Hodson pointed out that the new 2020 Constitution that was adopted at Full Council needs to be updated on the Council's website.

Following a query from the Chair as to the retention of the virtual meetings on YouTube the Senior Electoral & Democratic Services Officer confirmed they stay available as long as the Authority wants them to be.

The report was noted.

The Chief Executive joined the meeting at 2:15pm

50. MANAGING THE RISK OF FRAUD AND CORRUPTION - SELF ASSESSMENT

Prior to the start of the presentation, the Devon Audit Partnership Manager introduced his colleague Paul Middlemass, a new Audit Manager who will become the lead Manager for the Council's Audit & Governance Committee's once he is fully trained.

The Devon Audit Partnership Manager presented the report, the purpose of which was to advise the Committee of the results of a self-assessment against the CIPFA code of practice on Managing Risk of Fraud and corruption.

Following a query from Councillor Craigie regarding fraudulent claims made for COVID grants the Devon Audit Partnership Manager advised there has been an increase in risk however checks have been carried out to reduce the risk and later in the agenda there is a report which gives assurance of arrangements in place by the Council. The Finance Manager & Section 151 Officer added that grant payments did have to be paid quickly which brings an element of fraud, however proactive work to reduce risk had been done by way of contacting businesses that would be eligible. The evaluation of the Discretionary Grant process was conducted by North Devon Plus and due to the rigorous application procedure resulted in no concern regarding fraud. The Finance Team have been working hard to keep up with applications and making checks to minimise the risk of fraud. All grants that have been paid have been put through the National Fraud Initiative Portal which checks for discrepancies. TDC have paid out 2800 grants in total with 60 of these requiring more detailed checks for reassurance they have been paid correctly.

Councillor Hodson referred to page 41, point 7, expectation 4 in the table and asked that as she is Lead Member for Finance and Audit and Vice-Chair of the Audit Committee could she also be briefed on fraud risks. The Devon Audit Partnership Manager advised this could be changed to include the Vice-Chair as well.

Following a query from Councillor Hodson regarding the ability to validate holiday lets and second homes for eligibility of grants the Finance Manager & Section 151 Officer confirmed that if properties were registered for Business Rates they would qualify however if properties could not be seen to market their business then owners were asked to provide evidence.

The Chief Executive advised the Committee that this is recognised as a national problem and the Chair of the Devon Districts Forum had written directly to the Secretary of State highlighting these issues. The Chief Executive circulated a copy of said letter and response to the Committee while the meeting was in progress.

Following a query from Councillor Hepple the Devon Audit Partnership Manager advised there is no time limit on investigating payments of grants however it would be dependent on resources available. The same applies to a response plan however as the level of fraud and corruption within TDC has been traditionally low there is potential to resource a dedicated officer or expertise externally.

The Head of Legal & Governance (Monitoring Officer) advised the group that through auditing the grant payments it had been identified that only 1 had been paid incorrectly but had since been recouped.

The Chief Executive added that there had been huge pressure from Central Government to get grants paid quickly. Some other Authorities, who were underperforming, had received calls from junior ministers questioning why grants had not yet been paid, TDC did not receive a call therefore to only get one wrong is a massive achievement and something to be proud of. It is hard to provide extra resources without an impact on another area so there needs to be a balance. As part of the new re-structure Operational Managers have been looking at the structure of their service areas and the resources required. The budget was agreed at the end of February so any changes will be implemented soon.

The Chair gave credit to everyone involved in getting grants paid so quickly, accurately and stated a fantastic job has been done.

Following queries from Councillor Craigie the Finance Officer & Section 151 Officer advised the following:

- TDC will receive a New Burdens Grant which covers the administration of the grants.
- North Devon Plus have an expertise in assessing businesses and analysing information on applications submitted for funding. TDC would have struggle to pay out all the grants if North Devon Plus had not assisted.
- North Devon Plus are audited by TDC.
- There is no formal right of appeal if a grant is not awarded.

The report was noted.

#### 51. AUDIT REPORTS ISSUED TO DATE

The Devon Audit Partnership Manager presented the report, the purpose of which was to provide a summary of the audit reports issued to date to enable Members to discuss any matters they wish to raise.

Specific reference was made to page 63 of the report titled Post Payment Assurance as this was a concern previously raised in the meeting.

Councillor Hodson raised concern to the Council's restricted tender process and commented that perhaps this needs to be re-visited as other contractors are being excluded. The Devon Audit Partnership Manager advised this was their findings however agreed it could be looked at again.

The report was noted.

#### 52. PROGRESS WITH AGREED ACTIONS

The Finance Manager & Section 151 Officer delivered the report, the purpose of which was to provide an update on progress with implementing agreed actions.

Following a query from the Chair regarding the time taking to produce an up-to-date Asset Management Plan it was advised that the recruitment process is currently ongoing for a new staff member within the Property & Procurement Team. If a successful candidate is appointed, then this piece of work would be made a priority.

The report was noted.

53. AUDIT PLAN

A verbal update on the Audit Plan was given by the Finance Manager & Section 151 Officer.

Generally, the focus on an audit is when there is a change. For this financial year changes have been made to include Car Parks - due to a couple of members of staff leaving, Hardship Grants, Track and Trace Isolation Payments and ICT – Home Working due to COVID -19.

As new audits have been added other audits such as creditor payment and Main Accounting audits have been postponed or scaled back. The decision regarding which audit to scale back on being determined by previous good audit report and where there had been no turnover in experienced staff.

The plan was noted.

54. RIPA UPDATE

The Head of Legal & Governance (Monitoring Officer) gave a verbal update as she is the lead officer for RIPA.

The Committee were advised that TDC had been audited by IPCO for the procedures in place for RIPA. The result was good with IPCO being happy that reports were made to the Audit & Governance Committee and that there was no unauthorised RIPA activity.

The only point that was raised was the use of Social Media regarding investigations. This is not permitted, and the Head of Legal & Governance (Monitoring Officer) has sent an email to all staff to remind.

The report was noted.

55. GENERAL UPDATE

The Engagement Lead for Grant Thornton LLP, External Auditors delivered the update report.

Following a query from the Chair regarding the additional fee the Engagement Lead for Grant Thornton advised it has not been levied by Grant Thornton but is a result of the NEOs code changing. Information is currently being collated which will be

discussed further with TDC before being referred to the PSAA. At this stage it would be hard to guess how much the additional fee will be.

56. ANNUAL AUDIT LETTER

The Engagement Lead for Grant Thornton LLP, External Auditors presented the report to the Committee advising the Audit Letter is a summation of work undertaken for 2019/20.

Particular attention was made to the Audit Fee Variations and the additional fee for COVID-19.

Following a query from the Finance Manager & Section 151 Officer the Engagement Lead for Grant Thornton could not confirm a deadline date for Local Government accounts but an assumption had been made by Grant Thornton that it may be the 30<sup>th</sup> of September however they do have a backlog of work. To try and tackle the backlog of work interim visits will be scaled back with only ASO standard requirements being conducted.

It was confirmed to the Chair that a certain amount of work must be conducted regarding an interim audit for the Audit Plan, this includes substantive testing for example looking at creditor payments, journals, and key financial systems. Capacity is being looked at to ascertain how much of this testing can be done at the interim stage or if it will be done at the final accounts stage.

Following further concern from the Chair regarding the Housing Benefit Audit deadline being pushed backed again the Engagement Lead for Grant Thornton advised they envisage to get the audit completed by the new deadline and that the Department for Work & Pensions have recognised the impact COVID-19 has had on all Auditors not just Grant Thornton.

The Finance Manager & Section 151 Officer could not foresee an Interim Audit taking place with only the statutory requirements being carried out however he is meeting with officers at Grant Thornton to discuss this matter.

The Chair raised concerned to the problems that could occur if deadlines are not met and asked if staff retention is an issue, to which the Engagement Lead for Grant Thornton advised there several issues with staff being one along with COVID-19.

The report was noted.

57. FORWARD PLAN

The Forward Plan noted.

58. EXCLUSION OF THE PUBLIC

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

Resolved:

That under Section 100(a)(4) of the Local Government Act (as amended) the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information by virtue of Paragraph 3 of Part 1 and Paragraph 10 of Part 2 of Schedule 12A of the Local Government Act 1972.

A recorded vote was taken.

<b>Councillor</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Cllr Craigie	X		
Cllr Hackett – Chair	X		
Cllr Hepple	X		
Cllr Hodson – Vice Chair	X		
<del>Cllr Jones</del>			
<del>Cllr Rossi</del>			

(Vote: For - unanimous)

59. PART II (CLOSED SESSION)

60. CORPORATE RISK REGISTER

The Finance Manager and Section 151 Officer delivered a presentation on the Corporate Risk Register.

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

Resolved:

That the meeting leaves Part II

A recorded vote was taken.

<b>Councillor</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Cllr Craigie	X		
Cllr Hackett – Chair	X		
Cllr Hepple	X		

Cllr Hodson – Vice Chair	X		
<del>Cllr Jones</del>			
<del>Cllr Rossi</del>			

(Vote: For - unanimous)

The meeting commenced at 2.00 pm and closed at 4.21 pm

Chair:

Date: