

TORRIDGE DISTRICT COUNCIL
AUDIT & GOVERNANCE MEETING

Virtual Meeting via Zoom with Public Access via YouTube
<https://tinyurl.com/TorridgeYouTube> - <https://tinyurl.com/TorridgeYouTube>

Tuesday, 30 March 2021 - 2.00 pm

PRESENT	Councillor P Hackett (Chair) Councillor C Hodson (Vice-Chair) Councillors R Craigie, K Hepple and D Jones	
ALSO PRESENT	S Dorey	- Head of Legal & Governance (Monitoring Officer)
	D Heyes	- Finance Manager (Section 151 Officer)
	J Walter	- Strategy, Performance & ICT Manager
	R Hutchins	- Devon Audit Partnership Manager
	P Middlemass	- Devon Audit Partnership Manager
	J Masci	- Engagement Lead, Grant Thornton LLP, External Auditors
	T Vanstone	- Senior Electoral & Democratic Services Officer
	K Brown	- Democratic Services Officer

61. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Rossi.

62. MINUTES

The minutes of the meeting held on the 26th January 2021 were presented.

The presentation slide on the YouTube video stated the minutes of 22nd September 2020 which was incorrect and the vote was for the minutes of the Audit & Governance meeting held on 26th January 2021.

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

Resolved:

That the minutes be confirmed as a correct record.

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			X
Cllr Rossi			

(Vote – 4 For, 1 Abstention)

63. **ACTION LIST**

Minute 121 – Councillor Hodson had spoken with the Head of Legal & Governance (Monitoring Officer) receiving assurance that there is a process in place for exchanging information with no blockages regarding safeguarding issues. The Head of Legal & Governance (Monitoring Officer) also added that a Safeguarding Audit had recently taken place and a draft form has been constructed. Action complete.

The Finance Manager (S151 Officer) had contacted Councillor Craigie regarding the next pension scheme virtual meeting. Action complete.

64. **DECLARATION OF INTERESTS**

There were no declarations of interest.

65. **AGREEMENT OF AGENDA ITEMS PART I AND II**

It was proposed by Councillor Hackett, 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	X		
Cllr Rossi			

(Vote – Unanimous)

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

There were no urgent matters brought forward.

67. TORRIDGE PROGRESS REPORT

The new Engagement Lead for Grant Thornton LLP, External Auditors Julie Masci, introduced herself giving reasons for the change of Engagement Lead for the 2020/21 Audit and her employment history.

The Engagement Lead for Grant Thornton LLP, External Auditors presented the report the purpose of which was to update Committee Members on Torridge's Progress Report.

The 2019/20 accounts have now been completed with the Housing Benefit audit being finalised and submitted to the Department for Work & Pensions. Work has now started and progressing well on the 2020/21 Audit.

The National Audit Office have issued an updated code of practice introducing a new framework for Value for Money. Details of changes were explained to the Committee by the Engagement Lead for Grant Thornton LLP, External Auditors which now include three main pillars 1) financial sustainability 2) governance and 3) ensuring economy, efficiency and effectiveness with a new more detailed reporting process.

Following a query from the Finance Manager (S151 Officer) the Engagement Lead for Grant Thornton LLP, External Auditors advised she could send through the guidance from the National Audit Office which sets out the new changes. Assurance was also given that TDC would be treated accordingly through the new process and Grant Thornton are looking to come to TDC possibly towards the end of June.

The Chair welcomed Julie Masci to the Audit Committee and asked that pre meetings with Grant Thornton take place with him before future Audit & Governance meetings. Concern was raised as to whether the new processes would be as robust to which the Engagement Lead for Grant Thornton LLP, External Auditors advised the intention is for them to add more value for money to the authority with more involvement from senior members of staff.

The Chair asked that the Audit & Governance Committee, the Finance Manager (S151 Officer) and his team be notified of any changes to the predicted timeline.

Following a query from Councillor Craigie, the Engagement Lead for Grant Thornton LLP, External Auditors, confirmed the green agenda is important and this is another reason why discussions are required at senior management team level to gain an understanding.

The report was noted.

68. INFORMING THE AUDIT RISK ASSESSMENT 2020/21

The Engagement Lead for Grant Thornton LLP, External Auditors presented the report giving a brief overview of the introduction and content of the Risk Assessment, advising that the Audit Standards set out guidance to be followed and the expectations from TDC.

The document has been streamlined with Grant Thornton LLP, External Auditors having already had an initial response from the Finance Manager (S151 Officer). The document has now been presented to the Audit & Governance Committee for any further comments before Grant Thornton finalise their risk plan.

Following a query from Councillor Jones the Finance Manager (S151 Officer) and Head of Legal & Governance (Monitoring Officer) confirmed external solicitors have been used and a spreadsheet detailing payments made had been sent to Grant Thornton.

The Finance Manager (S151 Officer) gave clarification to Councillor Craigie that TDC's Treasury Management Policy only allows it to make short term treasury deposits for up to 12 months and no longer.

The report was noted.

69. TORRIDGE DISTRICT AUDIT PLAN

The Engagement Lead of Grant Thornton LLP, External Auditors presented the report highlighting the following:

- Draft plan is complete with key areas of focus.
- There are no significant changes in big accounting standards or Local Government Code of Practice.
- Changes to Audit Standards regarding estimates resulting in further work required in response to the change in standards.
- Value for money code is detailed in the report.
- Significant risks surrounding fraud is rebuttable, within the Audit Standards, as TDC can prove controls are in place to manage risk.
- Specific work will be conducted on TDC's new payroll system.
- Potential weakness has been identified around financial sustainability and planning which is common across all Local Authorities. Specific work will be done on this aspect as well.
- Audit to be finalised by the end of September.

- Fees for current year will be reassessed due to changes in the Value for Money and the requirement for additional work. Once the figure has been agreed with the PSAA it will be presented to the Audit & Governance Committee.

The Chair thanked Julie Masci for attending and the report was noted.

70. AUDIT REPORTS ISSUED

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

Paul Middlemass also from Devon Audit Partnership, joined the meeting as he will be taking over from Rob Hutchins, in the future and working with TDC.

Following a query from Councillor Craigie the Finance Manager (S151 Officer) confirmed that Eco Flex Grants are awarded to properties which have been identified for an upgrade to their energy efficiency. Further to the query the Devon Audit Partnership Manager confirmed the recommendations on Housing Renewal included items such as the strategy for empty homes needs updating, the Housing database used to record information was slightly inaccurate, budget overspend on Eco Flex Scheme, validation checks on grants awarded however management have recognised the issues and changes have been put in place to remedy the issues.

Thanks was given to the Devon Audit Partnership Manager and the report was noted.

71. FORWARD PLAN

The Finance Manager (S151 Officer) asked the Engagement Lead at Grant Thornton LLP, External Auditors if the Audit Findings report could be brought forward to a September meeting from October to which she agreed this would be achievable.

The Engagement Lead for Grant Thornton LLP, External Auditors also advised that due to the new approach the Annual Audit Letter will now be redundant and the Annual Audit Report will be presented at the September meeting alongside the Findings Report.

Councillor Hodson referred to the Effectiveness of the Audit & Governance Committee and pending any changes following the Annual General Meeting will there be any training or measures put in place to demonstrate the effectiveness of the Audit & Governance Committee? The Chair advised the comment would be taken on board.

72. 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.

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	X		
Cllr Rossi			

(Vote – Unanimous)

73. PART II (CLOSED SESSION)74. COVID-19 LESSONS

The Finance Manager (S151 Officer) presented the report, the purpose of which was to inform Members of the Audit & Governance Committee of issues pertaining to the administration of Business Support Grants.

A slide presentation was delivered to supplement the report.

The Chair gave thanks to the Finance Manager (S151 Officer) and his team on all the work carried out.

Following a query from Councillor Jones the Finance Manager (S151 Officer) confirmed that a revised process of validating the eligibility for grants will be adhered to this time.

Resources for the administration of the grants is limited to the Finance and Business Rate teams however TDC's Human Resources department have recently enquired if staff would be interested in additional hours to assist the teams.

Councillor Craigie also expressed her appreciation and asked to pass thanks to the teams.

75. CYBER SECURITY UPDATE

The Strategy, Performance & ICT Manager delivered a presentation regarding Cyber Security.

An overview of a recent incident was presented to the Committee along with a timeline of actions taken by TDC's IT department to overcome the incident along with actions and continuing work to reduce any risk moving forward.

Confirmation was given to the Chair that the strength of passwords is important, best practice is to change passwords every couple of months and this can be done remotely.

The report was noted.

LOCAL GOVERNMENT ACT 1972 (AS AMENDED)

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

Resolved:

That the press and public be re-admitted

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	X		
Cllr Rossi			

(Vote – Unanimous)

The meeting commenced at 2.00 pm and closed at 3.38 pm

Chair:

Date: