

3. DECLARATION OF INTERESTS

There were no declarations of interest.

4. AGREEMENT OF AGENDA ITEMS PART I AND II

It was confirmed by the Section 151 Officer that there were no Part II items.

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

There were no urgent matters brought forward.

6. GRANT THORNTON UPDATE REPORT

Chair welcomed Julie Masci (Key Audit Partner, Grant Thornton) to the meeting, and she provided members with a summary of the Progress Update Report for 2020-21 audit cycle.

It was explained that the two areas of work ongoing since the last Committee on 5th October.

One area is the finalisation of work of the financial statement audit. Members were directed to page 15 of the report, which set out the areas of outstanding work since the last meeting. The Key Audit Partner confirmed that since the writing of the report further progress had been made on the remaining outstanding work stated in the report.

The Key Audit Partner went on to provide an update on the current status of this work and provided members with some context.

It was explained that Grant Thornton had sought some further support in relation to work on the council's valuer report, due to material valuation uncertainty in relation to Leisure. It was explained that this is being picked up within other Local Authorities for a variety of different asset types and Grant Thornton are seeking further clarification and advice as a result.

It was confirmed that discussion had taken place with Torridge's Section 151 Officer earlier in the week to clarify the position and finalise the wording of opinion this week, once this is completed it was confirmed that Grant Thornton would then be in a position to issue the final opinion.

The Key Audit Partner went on to highlight the second area of outstanding work for the audit and directed members to page 16 of the report.

It was explained that the work on the Housing Benefit returns to DWP is progressing well and are due to finalise and sign off this piece of work this week. It was confirmed that no significant issues have come out of the testing Grant Thornton have completed.

The Key Audit Partner directed members to page 17 of the report, which highlights the audit deliverables for the 2021 cycle. It was explained that, for completeness, the deliverables for planning of 2022 cycle had also been added.

Members were directed to some of the wider sector updates and public reports, which may be useful for members.

Members had the opportunity to ask questions.

A discussion regarding the difference of opinion on leisure centre valuation took place. Members raised concerns regarding the timeliness of this issue being raised with Torridge. The Key Audit Partner explained the position of Grant Thornton and explained the approach that had been taken since the last Audit Committee in October. She also clarified the work and consultation required for Grant Thornton to make a judgement. The detail around the valuer's position was also explained to members.

The Key Audit Partner took on board feedback around the timeliness of this issue and will look to improve the situation going forward. It was stated that Grant Thornton are looking for a quick resolution and are close to sign off.

Members noted the report.

7. FRAUD ASSESSMENT

Paul Middlemass, Devon Audit Partnership (DAP) Manager, joined the Committee remotely to present members with results of an annual assessment against the CIPFA code of practice on Managing the Risk of Fraud and Corruption.

The DAP Manager provided a summary of the report and the findings for members.

Appendix A on page 39 of the agenda pack was highlighted to members. It was explained that this provides members with the actual assessment and the DAP Manager ran through some of the important elements of the document with members.

In summary the assessment concluded that the arrangements in place at Torridge are largely effective and appropriate.

Members queried why the table of estimated local government fraud loss was dated 2013. The DAP Manager explained these were the most current estimates CIPFA had provided.

Members raised paragraph 9 and 10 with the DAP Manager and questioned if Torridge was effective at finding cases of fraud, and if fraud is discovered is the council robust in challenging.

The DAP Manager confirmed there were no instances of fraud found that would have been published in the press. Members were directed to the conclusion of the

report which states that the self-assessment provides good assurance that sound and effective fraud prevention arrangements are in operation.

Members queried if this work was paid for and it was confirmed that it was paid for as part of the package of internal auditing that DAP complete for Torridge.

Members noted the report.

8. REPORTS ISSUED TO DATE

The DAP Manager presented members with a summary of the internal audits completed since the last committee meeting. He also highlighted a recent external assessment completed on DAP against the Public Sector Internal Audit Standards – this returned a ‘generally conforms’ marking, which is the highest of the markings. The report will be going to the DAP Managers board, which members of this committee sit on.

There were 5 internal audits reports completed, with the following assurances made:

Substantial Assurance	Payroll
Reasonable Assurance	Corporate Health and Safety
	Recruitment Selection and Retention
	Emergency Planning
Limited Assurance	Harbour Services

The DAP Manager went on to summarise the findings for members.

Payroll

The move to a new payroll system was highlighted (ITrent) and it was confirmed that core controls were found to be in place. This new system was also seen to be having a beneficial impact on council operations and efficiency.

Corporate Health & Safety

It was confirmed that arrangements are in place to meet responsibilities in this area, though some work was identified around inspections – thought this could be linked to the post-Covid impact of not working within the office. Torridge have since looked to recruit an additional officer to meet this need and support Emergency Planning.

Harbour Services

It was recognised that staffing related issues were the main concern in terms of the rating of this audit. The DAP Manager stated he was confident management had a good plan in place to meet the areas of weakness raised, and these issues are being dealt with quickly. At a more strategic level the audit highlights there could be more concentration on the costs and benefits of the harbour.

Recruitment, Retention and Selection

The audit concentrated on the process and DAP were content that processes are in place to recruit people in fair and open competition. It was recognised that the HR

team provide a good service to managers. This was also one area where the benefit of ITrent was seen – making the recruitment process speedier and more efficient.

Emergency Planning

The auditors were satisfied with the arrangements in place and it was recognised there was a lot of work to be done and there have been no incidents. There were some minor recommendations to review the Emergency Plan and Business Continuity Plan and it was agreed that the Emergency Plan could be reviewed by the Lead Member as it's a statutory requirement to have a plan.

Members noted the report.

9. PROGRESS AGAINST AUDIT ACTIONS

The Section 151 Officer presented a progress report on the audit action for 2021 to Committee Members. It was explained that these actions came about as a result of the internal audits completed by Devon Audit Partnership (DAP).

It was confirmed that of the 92 agreed actions 50 had been completed, 30 actions that were open and in time, and 12 actions were late.

The Section 151 Officer highlighted the table on page 54 of the agenda pack, which provided members with a summary of the late actions and highlighted the updates provided by Managers.

Members noted the report.

10. CODE OF GOVERNANCE

The Service Improvement Officer presented the report for approval and explained this was an annual review of governance arrangements, which was linked to the statement agreed at the last meeting.

The Service Improvement Officer went on to highlight the table on page 56 of the agenda pack. It was explained this summarises the assessment of the council's governance arrangements. The Service Improvement Officer highlighted the 2 areas that are not 100 percent compliant and provided members with some context.

The Service Improvement Officer went on to highlight the diagram on page 59, which explained good governance and page 70, which explained the Council's roles and responsibilities in terms of governance. A small change to the wording was highlighted – members would be changed to Full Council, it was explained that Full Council is a strong governance body.

It was confirmed this document would be published on the website alongside the statement.

Member thanks the Service Improvement Officer for the report.

It was proposed by Councillor Hackett, seconded by Councillor Watson and

Resolved:

That the revised Code of Conduct be approved.

Vote: For - unanimous.

11. APPOINTMENT OF EXTERNAL AUDITORS

The Section 151 Officer provided members with a summary of the procurement process that was followed to appoint Grant Thornton as External Auditors for Torridge.

It was explained that the current arrangements were coming to an end at the end of the 2022-23 financial year and there were 3 options available to Torridge at this time.

Three options highlighted to members:

- To appoint its own auditor, which requires it to follow the procedure set out in the Act.
- To act jointly with other authorities to procure an auditor following the procedures in the Act.
- To opt in to the national auditor appointment scheme administered by a body designated by the Secretary of State as the 'appointing person'. The body currently designated for this role is Public Sector Audit Appointments Limited (PSAA).

Following a discussion regarding the current market for external auditing and the types of options open to the council it agreed the committee would recommend Torridge opt into the procurement scheme.

It was proposed by Councillor Watson, seconded Cllr Clarke and –

Resolved:

That members of the Committee recommend to Full Council that Torridge opts into the PSAA procurement of external audit services.

Vote: For - unanimous

12. FORWARD PLAN

Members noted the forward plan.

The meeting commenced at 2.00 pm and closed at 2.50 pm

Chair:

Date:

