

TORRIDGE DISTRICT COUNCILAUDIT & GOVERNANCE MEETINGTown Hall - Bridge Street, Bideford, EX39 2HSTuesday, 25 October 2022 - 2.00 pm

PRESENT Councillor P Hackett (Chair)

Councillors D Bushby, K Hepple and N Laws (substituting for C Hodson)

ALSO PRESENT

D Heyes	- Finance Manager (Section 151 Officer)
T Vanstone	- Senior Electoral & Democratic Services Officer
K Hewlett	- Electoral and Democratic Services Officer
A Davies	- Grant Thornton
Middlemass	- Devon Audit Partnership

30. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Lock and from Councillor Hodson, Councillor Laws was present as a substitute for Councillor Hodson.

31. MINUTES

The minutes of the meeting held on the 19th July 2022 were presented.

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

Resolved:

That the minutes be confirmed as a correct record and signed by the Chair.

(Vote: Yes 3, Abstentions 1, No 0)

32. ACTION LIST

Chair reviewed the action list with members. It was confirmed this action was complete - Grant Thornton and the Section 151 Officer have been meeting more regularly since the last meeting.

33. DECLARATION OF INTERESTS

There were no declarations of interest.

34. AGREEMENT OF AGENDA ITEMS PART I AND II

The agenda as circulated was agreed.

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

There were no urgent matters brought forward.

36. AUDIT REPORTS ISSUED

Paul Middlemass, Devon Audit Partnership (DAP) Manager, provided members with a summary of the audits issued to date.

There were 2 audit reports to note with the following assurances made:

Reasonable Assurance	Northam Burrows
Reasonable Assurance	Council Tax

Northam Burrows

It was explained that the audit looked at arrangements to manage the Burrows area, including the new management centre.

The report noted there was scope to review parking charges, and a Health and Safety inspection of the new centre was advised.

Members were also informed that a new management plan was needed - the plan was last reviewed in 2013. It was felt important in managing the increase in visitors alongside the impact of biodiversity and climate change.

Council Tax

It was confirmed DAP were content with the controls in place for the management of council tax, and collection rates were comparable with recent years.

The DAP Manager highlighted the collection of uncollected council tax. The report identified a need to increase emphasis on this area, and a dedicated recovery officer role had been being suggested. The DAP manager provided some context and explained it as fairly typical of other councils following the Pandemic.

Active Torridge

The DAP manager went on to highlight that the final audit report for Active Torridge, which had been agreed with Management and issued to the Board. It was explained that assurance had been provided on all the risk areas listed in the report. Recommendations from the report were also highlighted and it was explained that DAP had suggested these be tracked going forward.

Following the update Members were asked for their questions.

Following a question in relation to debt recovery the complexities of involving outside agencies in the collection of debt was explained, along with the current debt

recovery process and it's complexities. It was confirmed that a business case for additional resource (member of staff) would go to SMT.

During discussions it was highlighted that TDC would only retain 12 percent of the recovered funds and that collection rates were at around 98% for Council Tax.

Following a query about the Council's liability in relation to uncollected debt the Section 151 Officer explained the write off process.

Members then asked for a comparison with other Local Authorities on the management of debt. The DAP manager explained that Covid had a similar impact for other authorities, following the response to Government messaging on collection of debt and resourcing of additional grants. It was also highlighted by the Section 151 Officer that the energy rebate created a heavy focus on the Council Tax teams and this had an impact on collection.

Members duly noted the report.

37. INTERNAL AUDIT - CHARTER AND STRATEGY

DAP manager explained the purpose of the Charter and the Strategy and asked members for any questions.

It was asked if DAP were managing to achieve 90% of audits as stated. The DAP manager stated this was a standard annual target level, which is typically met most years.

Members duly noted the report.

38. ANNUAL REPORT

Chair introduced Andrew Davies, Engagement Manager at Grant Thornton, who updated members on the progress of the 2020-2021 audit. It was confirmed that the opinion would be signed by Julie Masci following the meeting and after the presentation of the annual report Grant Thornton would be able to certify the audit as closed.

The Engagement Manager for Grant Thornton clarified that the report related to the audit of the 2021 financial year.

The annual report was then summarised for members, and the different scales of recommendation and the potential audit outcomes were explained. The Engagement Manager ran through the executive summary with members, providing some of the headlines. It was confirmed there were no statutory or key recommendations for the Council, only improvement recommendations.

Members were asked for the questions.

Members asked about the discussion process following Grant Thornton recommendations. The Engagement Manager for Grant Thornton explained how

managers could query recommendations and confirmed that sometimes the report would be updated as a result. An example from the report was referred to provide members with context of the discussions that take place.

Members discussed the recommendation regarding gifts and hospitality process and queried the process, which was explained by the Section 151 Officer. It was confirmed that this process was for Officers and Members.

Members duly noted the report

39. 2021/22 AUDIT FINDINGS REPORT

The Engagement Manager for Grant Thornton explained that the report related to the 2021-22 audit and members were referred to the headline areas (page 69-70 of the agenda) and given an update on progress.

Members were directed to page 71 of the agenda and it was explained that the list of outstanding areas had decreased since the writing of the report. The remaining outstanding areas were the receipt of the Letter of Assurance from the Devon Pension Fund Auditor and property, plant and equipment valuations – brief updates were provided to members on both the outstanding areas.

It was confirmed that subject to the completion of this work Grant Thornton aimed to issue an unqualified opinion ahead of the 30th November deadline. It was requested that Grant Thornton's thanks to the Finance Team be recorded.

It was explained that the Value for Money work was still ongoing, and the members were directed to the findings on page 86 of the agenda – specifically Active Torridge. The Engagement Manager provided a further update on this audit work and advised members that Grant Thornton have now concluded that there was no longer a significant risk in these arrangements.

In terms of the key findings members were advised there were no major issues to bring to their attention. The Engagement Manager stated that this was a clean audit and a good set of financial statements.

Members were asked if they had questions on the detail of the report.

Members expressed their thanks to Grant Thornton and the Finance team for their work on this audit. The Section 151 Officer credited the experienced and long-standing team finance team.

Following a query regarding the mechanisms for auditing plant equipment valuations the Section 151 Officer confirmed that there was a depreciation policy in place. This policy and how it relates to TDC equipment and how risk was assessed was explained. The Engagement Manager also provided members with a summary of the process for auditing this area / these figures.

Members duly noted the report.

40. LETTER OF REPRESENTATION

The Section 151 Officer explained the function of the letter to members and confirmed Councillor Hackett and the Section 151 Officer would sign the letter for Grant Thornton at the end of the meeting.

Members duly noted the letter

41. UPDATE ON PSSA APPOINTMENT PROCESS FOR EXTERNAL AUDIT OF ACCOUNTS FROM 2023/24

The Section 151 Officer introduced the report and explained that the purpose was to update members on the progress in appointing external auditors for the period 2023/24 – 2027/28.

Members were provided with some background to the procurement process and advised of section 2 of the report, which provided an indication on the prices to expect when the contract renews.

It was explained that the number of Audit Firms completing external audits had now expanded and following the writing of the report it had been confirmed that Bishop Fleming were allocated as TDC auditors for 2023/24.

Members were advised of the appeal process and the Section 151 Officer confirmed he would be writing to Public Sector Audit Appointment Committee to confirm acceptance of Bishop Fleming as auditors from 2023-24.

Members duly noted the report.

42. FORWARD PLAN

Chair reviewed the Forward Plan with members and the following was agreed:

- The Engagement Manager for Grant Thornton confirmed that the External Audit plan item could remain on the April agenda.
- DAP Manager advised there would be an Annual Fraud report for January date on the forward plan.

Members noted the Forward Plan.

43. EXCLUSION OF THE PUBLIC

The Chair moved:

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.

44. PART II (CLOSED SESSION)

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

Resolved:

That the meeting move into Part II.

(Vote: for, unanimous.)

45. PRESENTATION - UPDATE OF CORPORATE RISK REGISTER

Members were provided with a presentation from the Section 151 Officer covering the function of Corporate Risk Register and the work of TDC to manage / mitigate identified risks within the organisation.

Following a brief discussion regarding future agenda items it was requested that the IT team attend the next committee meeting in relation to Cyber Security.

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

Resolved:

That the meeting come out of Part II.

(Vote: for, unanimous.)

The meeting commenced at 2.05 pm and closed at 3.22 pm