

TORRIDGE DISTRICT COUNCILAUDIT & GOVERNANCE MEETINGTown Hall - Bridge Street, Bideford, EX39 2HSTuesday, 17 January 2023 - 2.00 pm

PRESENT

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

ALSO PRESENT

| | |
|--------------|---|
| S Dorey | - Head of Legal & Governance (Monitoring Officer) |
| D Heyes | - Finance Manager (Section 151 Officer) |
| T Vanstone | - Senior Electoral & Democratic Services Officer |
| K Brown | - Democratic Services Officer |
| K Hewlett | - Electoral and Democratic Services Officer |
| P Middlemass | - Devon Audit Partnership |
| D Johnson | - Devon Audit Partnership |
| J Masci | - Grant Thornton |

46. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Lock.

47. MINUTES OF THE MEETING HELD ON 25 OCTOBER 2022

The minutes of the meeting held on the 25 October 2022 were presented.

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

Resolved:

That the minutes of the meeting held on 25 October 2022 be agreed as a correct record.

(Vote: Yes 3, Abstentions 1)

48. ACTION LIST

No actions.

49. DECLARATION OF INTERESTS

There were no declarations of interest.

50. 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.

(Vote: For Unanimous)

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

There were no urgent matters brought forward.

52. AUDIT REPORTS ISSUED

The Devon Audit Partnership (DAP) Manager provided a summary of the internal reports issued since the last meeting in October 2022.

There were 3 audit reports to note with the following assurances made.

| | |
|----------------------|-----------------------------|
| Reasonable Assurance | National Non-Domestic Rates |
| Reasonable Assurance | Risk Management |
| Limited Assurance | Housing Options |

National Non-Domestic Rates

It was explained that the overall the NNDR team were seen to be effective in their duties, with the impact of covid grants and the energy rebated scheme noted. The main recommendations to come from the audit were related to management of historic debt.

Risk Management

The audit findings were summarised and the recommendations were highlighted for members. It was felt the risk management form should be more readily available and it was suggested that services areas may benefit from completing a mid-point review of risk.

Housing Options

The DAP Manager noted the significant expenditure in comparison to the budget as a reason the audit had been requested. The main recommendations were highlighted for members, and it was suggested that a review of the mitigation work of other Local Authorities would be beneficial. It was noted that processes and systems could be more effective.

Following a summary of each of the audits and their findings members were asked if they had any questions.

Members asked if there was an impact on clients in relation to the issues claiming housing benefits or was this between the Torridge District Council (TDC) team and Government. The Head of Legal and Governance (& Monitoring Officer) explained the issues being experienced and confirmed that there wasn't an impact for clients as claims were backdated.

Following a question in relation to the Housing Options audit Chair requested that Devon Audit Partnership remain for the Part II item.

Members duly noted the report.

53. COUNTER FRAUD AND RESILIENCE ASSESSMENT REPORT

Ken Johnson DAP Counter Fraud Manager introduced himself and summarised the Counter Fraud Resilience Assessment Report for members.

The DAP Counter Fraud Manager provided a detailed summary of the work taking place with TDC on counter fraud and risk assessment work and explained the outcome of the work in respect of TDC.

Members were advised that the findings suggest TDC continue to improve in this area, but there were still recommendations on how to further improve; work on identifying risk was highlighted as one area. It was noted that similar recommendations could be identified across other Authorities as well.

Members were asked if they had any queries.

It was asked if there were specific examples of an area that TDC could improve on. Council Tax single person discount was noted during the question.

The DAP Counter Fraud Manager explained how some of the areas of work, including single person discount, and how these types of reviews could be arranged across Devon. There was a further discussion about the potential work around counter fraud in social housing with the Devon Home Choice team.

Members raised whether specific training on these issues could be featured as part of the training plan for any future Councillors following local elections in May.

Members asked if there was a team investigating where potential fraud is identified. The Head of Legal and Governance (& Monitoring Officer) confirmed that there is a visiting officer based within the Council Tax team at TDC, but the challenges were recognised. Further examples of work to identify fraud were highlighted to members and it was explained that the DAP recommendation was to look to coordinate this work across County.

Members duly noted the report.

54. AUDIT PROCESS REPORT AND SECTOR UPDATE

Julie Masci, Key Audit Partner for Grant Thornton, introduced the progress report and explained this was an update on work following on from the last Committee meeting in October.

It was confirmed that Grant Thornton was in the process of completing the Financial Statement Audit work and this was in its final stage. It was stated the aim was to finalise in January and to start planning work for 22-23 audit.

The Key Audit Partner for Grant Thornton went on to update members regarding the Value for Money 2021 work reported at the last meeting. It was confirmed that Grant Thornton would formally follow up anything from the report along with any new updates to the arrangements over coming weeks. It was stated that the priority for Grant Thornton at this time was to finish of the final financial statement work, and then finalise the Value for Money work in February.

The Sector update within the report was noted and members were asked for their questions.

Following a question regarding the timescales, the Key Audit Partner from Grant Thornton recognised the challenges and delays that had been experienced but stated that Grant Thornton were committed to closing off the audit in January.

There was question in relation to hidden charges for this year. It was explained that fees for 2021 and 2022 audits had been reported, and the scale of fees for 2023 had been formally communicated. The Key Audit Partner for Grant Thornton said there was nothing additional that needed to be highlighted following this.

Members duly noted the report.

55. REVISION TO FINANCIAL PROCEDURES

The Section 151 Officer explained to members that the purpose of this report was to highlight proposed changes to the Council's Financial and Contract Procedures rules.

The Section 151 Officer provided a summary of all the proposed changes noted in the report and the reasons and rational were explained, along with the report recommendation.

Members were asked for their questions.

In relation to the suggested change to item 6.1.7 in the report, members asked that those services identified through audit or where expenditure is a concern where risks are identified should have tighter monitoring in place and should be considered separately.

The Section 151 Officer was in agreement with this and, along with the Head of Legal and Governance (& Monitoring Officer), provided some context regarding how this was monitored and reported on.

It was queried if disposal of assets should be updated in line with the proposed increase in asset value from £10,000 to £15,000. The disposal process was explained for members, along with the controls that are already in place that mean that no changes had been made.

Following a detailed discussion regarding item 6.7.7 of the report and the proposed increase in asset value from £10-£15,000 the Section 151 Officer provided some further context regarding the proposed increase and how many of TDC assets this may impact.

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

Resolved:

That members recommend that the revised revisions to the Finance and Contract Procedures Rules go to Full Council for approval.

A minor typo in the report was noted on page 40 under section 6.7.7.

(Vote: For Unanimous)

56. FORWARD PLAN

Chair reviewed the Forward Plan with members and the following additions were requested:

- DAP requested that the final audit plan for 23-24 be added to the April meeting.
- The Progress with Agreed Actions item on the Forward Plan for 17/01/23 will move to the April meeting.

Members duly noted the forward plan.

57. 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.

58. PART II (CLOSED SESSION)

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

Resolved:

That the meeting move to Part II.

(Vote: For Unanimous)

59. HOUSING OPTIONS AUDIT REPORT

The Head of Legal and Governance (& Monitoring Officer) provided members with an update in relation to Housing Options audit report, and the planned TDC response following the findings.

During discussions it was agreed that an update on the progress of this work would be added to the Audit & Governance Forward Plan for April 2023.

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

Resolved:

To come out of Part II and end the meeting.

(Vote: For Unanimous)

The meeting commenced at 2.00 pm and closed at 3.54 pm