

TORRIDGE DISTRICT COUNCIL

AUDIT & GOVERNANCE MEETING

Town Hall - Bridge Street, Bideford, EX39 2HS

Tuesday, 18 July 2023 - 2.00 pm

PRESENT Councillor P Hackett (Chair)

Councillors D Brenton, L Bright, L Ford and S Gibson

ALSO PRESENT

S Hearse	- Chief Executive
P Hudson	- Senior Capital Accountant
J Masci	- Grant Thornton
P Middlemass	- Devon Audit Partnership
T Rose	- Devon Audit Partnership
T Vanstone	- Senior Electoral & Democratic Services Officer
K Hewlett	- Electoral and Democratic Services Officer

Councillors K James

79. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Gubb.

80. CONFIRMATION OF MINUTES

The minutes of the meetings held on the 4<sup>th</sup> April 2023 and 27<sup>th</sup> June 2023 were presented.

Councillor Hackett informed members that due to there being no seconder for the minutes of 4<sup>th</sup> April these would be duly noted.

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

Resolved:

That the minutes dated 27<sup>th</sup> June 2023 be confirmed as a correct record.

(Vote: yes - unanimous)

81. DECLARATION OF INTERESTS

There were no urgent matters brought forward.

82. AGREEMENT OF AGENDA ITEMS PART I AND II

There were no Part II items.

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

There were no urgent matters brought forward.

Councillor Ford joined the meeting at 14:02pm

84. DRAFT STATEMENT OF ACCOUNTS 2022-23

The Deputy Section 151 Officer provided a detailed presentation which summarised the draft statement of accounts 2022/23, which are available to view on the Torridge District Council (TDC) website. At the end of the presentation the key highlights from the statement of accounts were explained and members were asked for any questions.

Cllr Ford left and returned to the meeting at 14:11

Following a brief discussion members duly noted the report.

85. GOING CONCERN REPORT

The Deputy Section 151 Officer introduced the report to members, which was received as part of the agenda pack, the purpose of which was to highlight any going concern in light of the closure of the Statement of Accounts 2022-23.

Following a summary of the report members were asked for their questions.

Members asked for clarification regarding the contributions to reserves listed on page 12 of the agenda. The Deputy Section 151 Officer provided further detail on what the separate contributions related to.

Following a query on how the Transition in Government Funding Reserve (TGFR) was used the Chief Executive provided the background to the establishment of the TGFR. Further detail was provided on how this Government funding was used by Councils to manage budget setting.

Members referenced page 16 of the agenda and the reduction of pensions liability – it was asked what brought this about. The Deputy Section 151 Officer explained this was from the actuarial valuations completed each year and was most likely a result of financial trends nationally and internationally.

During discussions members asked if the Torridge District Council (TDC) asset list was online. The Chief Executive confirmed the asset list was currently being updated by the Estate Manager and would be re-published the new website following a final validation. It was further explained that the going concern report was considering the accounting value, rather than market value. It was also

confirmed these valuations were completed by the District Valuer and the asset list included investment properties.

There followed a discussion regarding reserves and the process for deciding reserves levels and it was confirmed that this was a decision made by members. Chief Executive explained that the reserves figure were mostly earmarked for capital programmes and roughly 10-15% of reserves were set aside for unforeseen circumstances – which is considered good practice.

Following a discussion regarding cashflow and capital projects members duly noted the report.

86. APPROVAL OF WHISTLEBLOWING AND ANTI-FRAUD POLICIES

The Deputy Section 151 advised members of the requirement for the 2 policies, attached with the agenda, to come to Committee every 3 years for members to review any changes.

Members raised using lanyards to promote the whistleblowing policy.

Following a brief discussion it was proposed by Councillor Hackett, seconded by Councillor Brenton and –

Resolved:

That the Whistleblowing and Anti-Fraud Policies be approved.

(Vote: yes 4, no 1)

87. AGREED AUDIT ACTIONS REPORT

The Deputy Section 151 Officer presented the report to members, the purpose of which was to update members on progress implementing agreed actions set by Devon Audit Partnership following completion of internal audits.

Members duly noted the report.

88. DRAFT INTERNAL AUDIT ANNUAL REPORT

Paul Middlemass Devon Audit Partnership (DAP) Manager and Tony Rose Head of DAP introduced themselves to members.

The DAP Manager provided members with a summary of the annual report for 2022-23 and highlighted some of the key points.

It was confirmed that DAP were able to provide a reasonable assurance on the adequacy and effectiveness of the Authority following the completed internal audits.

Members were directed page 42 of the agenda and the list of completed audit and their assurance opinions.

The DAP Manager summarised appendix 1, which listed the internal audits completed since March 2023, copies of these reports having already been circulated prior to the meeting.

Members asked for more detail regarding the audits that had limited assurance and the DAP Manager provided a summary of the work that has taken place on Estate Management, Housing Options and Active Torridge.

Members duly noted the report.

#### 89. AUDIT PLAN UPDATE

Julie Masci, Engagement Lead for Grant Thornton, introduced herself to members. The extraordinary meeting of the 27<sup>th</sup> June was noted and members were advised that the Engagement Lead had formally written to TDC in response to the discussions held and meeting was requested with officers at TDC before the 2021-22 audit was closed.

It was confirmed that work on the 2022-23 audit had now started, and a team had been on site since July. All audit evidence was uploaded, and work was progressing.

Members were asked for their questions.

Chair stated the position of the 2021-22 accounts was regrettable and noted that Grant Thornton had advised that TDC would be made aware of any further delay to the audit. The Engagement Lead for Grant Thornton was asked to comment on the decision to extend.

The Engagement Lead advised members of Grant Thornton's position and stated there were unforeseen issues arising nationally that had an impact on the sign off. An update on the current position was provided and it was stated that Grant Thornton were now in a position to be able to present and bring the audit to a closes.

Chair noted concerns that had been raised previously regarding the perils of delaying the sign off.

The Chief Executive noted the letter from Grant Thornton had been received today, and once this had been read and digested a meeting would be arranged to discuss the issues raised.

#### 90. FORWARD PLAN

It was arranged for future agenda items to be added to the Forward Plan and circulated.

The meeting commenced at 2.00 pm and closed at 2.59 pm