

Minutes of the Audit Committee

23 March 2022

-: Present :-

Councillor Loxton (Chairman)

Councillors Brooks, Douglas-Dunbar, Hill, Johns, Kennedy (Vice-Chair) and O'Dwyer

384. Minutes

The Minutes of the meeting of the Audit Committee and Adjourned Audit Committee held on 26 and 31 January 2022 were confirmed as a correct record and signed by the Chairman.

385. Informing the Audit Risk Assessment

Members considered and noted the informing the audit risk assessment for Torbay Council 2021/22 report, that had been prepared by the Council's External Auditors, Grant Thornton as part of their risk assessment procedures which required them to obtain an understanding of management processes and the Council's oversight of the following areas:

- General Enquiries of Management;
- Fraud;
- Laws and Regulations;
- Related Parties;
- Going Concern and
- Accounting Estimates.

The report contributes towards the effective two-way communication between the External Auditors and the Audit Committee as 'those charged with governance'.

386. External Audit Plan

Members noted a report that provided an overview of the planned scope and timing of the statutory audit of the Council. Paul Dossett, Key Audit Partner for Grant Thornton, shared with Members that it was anticipated that some residual matters that arose during the final stages of the audit of the Statement of Accounts will be resolved by the end of the month, however the signing of accounts had been paused for authorities with material infrastructure assets.

Members were advised that following recent, regulatory reviews and discussions at a national level, it appears that some local authorities may be accounting for infrastructure assets incorrectly. Members were informed that there were a

number of aspects to this, but in particular, capital spending on replacing components had been added without derecognition of the previous component and hence had potentially materially enhanced the value of infrastructure assets in error. Grant Thornton had therefore decided to pause the signing of audits with material infrastructure assets until a specified programme of work had been completed.

387. Internal Audit Strategy and Charter

Members noted the submitted report which detailed the Audit Charter and Internal Audit Strategy. The Head of the Devon Audit Partnership informed Members that the Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which was provided by the Devon Audit Partnership (DAP), and the scope of Internal Audit work. The accompanying Audit Strategy had been designed to deliver the requirements outlined within the Charter.

388. Internal Audit Plan 2022/23

The Audit Committee noted the report that set out the Internal Audit Plan for 2022-23. The Head of the Devon Audit Partnership informed Members that the audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. Members queried the timing of some of the audits and requested the Head of the Devon Audit Partnership reflect as to whether some audits may need to be rescheduled.

389. Exclusion of the Press and Public

Prior to consideration of the item in Minute 390 the press and public were formally excluded from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

390. Planning, Housing and Climate Emergency - Service of the Future Project

At the meeting of the Audit Committee on 31 January 2022, it was resolved 'that the Audit Committee receives an update on the Planning Service for the Future Project, including the project initiation document as well as national and regional performance comparators'. Members had subsequently been provided with the requested information and were advised by the Chief Executive that officers were developing detailed work programmes which will cover the wider breadth of the Planning, Housing and Climate Emergency Directorate.