

## **Minutes of the Audit Committee**

**26 January 2022**

**-: Present :-**

Councillor Loxton (Chairman)

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

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### **273. Minutes**

The Minutes of the meeting of the Audit Committee held on 6 December 2021 were confirmed as a correct record and signed by the Chairman.

### **274. Exclusion of the Press and Public**

Prior to consideration of the item in Minute 275 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).

### **275. TDA Annual Report and Financial Statements**

The Committee considered and noted the draft Torbay Economic Development Company Limited (trading as TDA) Annual Report and Financial Statements for the period ending 31 March 2021. Members discussed the following:

- Company structure and work streams;
- Performance reporting;
- EPIC;
- Staff training and development in relation to Neighbourhood Plans and the Local Plan;
- Risks in relation to capacity, contractors and clients;
- Teckal status, profits and tax;
- Environmental Sustainability Plan; and
- TorVista.

(Note: Councillor O'Dwyer declared a non-pecuniary interest as he is the Council's appointed Director of the TDA Board.)

Resolved:

That the Audit Committee receive copies of the Management Accounts for the TDA twice a year.

**276. Internal Audit - Follow Up Report on Areas Requiring Improvement**

Members noted the Internal Audit – Follow Up Report on Areas Requiring Improvement. The Head of the Devon Audit Partnership informed Members that the Annual Internal Audit Report was presented to the Audit Committee in May 2021, the report provided a summary of the audits undertaken and an assurance opinion. Members were advised that areas which were identified as ‘improvements required/limited assurance’ had action plans in place and the progress against these action plans had been reviewed; the majority of the assurance opinions remain as reported in the Annual Audit Report 2020/21.

Members sought clarification as to the process for determining which services would be subject to an internal audit. Members were advised that the Audit Plan had three key elements:

- key financial systems;
- high risk areas; and
- supporting mechanisms to ensure delivery

The biggest variable was the risk element which depended on having an affective risk register in place and up to date to effectively identify those areas. Members noted that Internal Audit Reports were one element of the assurance that is provided to the Committee with other components being provided by External Audit and Performance and Risk.

**277. Internal Audit - Half Year Audit Report 2021-22**

Members considered the Internal Audit – Half Year Audit Report 2021-22. The Head of the Devon Audit Partnership informed Members that the Internal Audit plan for 2021/22 was presented and approved in March 2021. The Half year Audit Report provides Internal Audits current opinion on the overall adequacy and effectiveness of the Authority’s internal control environment.

Overall, and based on work performed to date during 2021/22, and Internal Audits experience from previous years, and the outcome of the Annual Follow Up exercise, the Head of Internal Audit’s Opinion was one of “Reasonable Assurance” on the adequacy and effectiveness of much of the Authority’s internal control framework. The exception to this was Children’s Services Directorate which is of ‘Limited Assurance’.

Members welcomed the addition of the Adult Social Care Letter of Assurance, set out in Appendix 8 and hoped this would continue in the future.

Members asked questions in respect of ‘irregularities’ and sought further information and reassurance in relation to the opinion of ‘Limited Assurance’ regarding the Covid-19 related Restart Grants, Vulnerable Renters, Household Support Fund, and the certification of the Test and Trace grant.

**278. Audit Progress Report and Sector Update**

Members noted a report which detailed the progress Grant Thornton had made in delivering their responsibilities as the Council's External Auditors. The report also included a summary of emerging national issues and developments that may be relevant to the Council.

Members were advised that the External Auditors were hopeful that they would be able to close the accounts very soon, with a few technical issues around accounts disclosure remaining. Members were informed that the Council had completed and submitted to the External Auditors the workbooks for the Housing Benefit Certification work, with External Audit about to commence testing. Members were advised that at present there did not appear to be anything within the workbooks to suggest that error extrapolation may be required.

Members were made aware of the Financial Reporting Council fining an auditing organisation for failings in their audit of a Council in respect of asset valuations and group accounts. As a result, Grant Thornton had engaged their own valuation experts who were satisfied that, from a group view, the Council's asset valuations were correct.

**279. HR Investigations and Whistleblow**

Members considered the submitted report which set out a high-level summary of the number of HR and Whistleblowing investigations. Members requested future reports include data on our arm's length companies who use the Council's systems.

**280. Adjournment**

At this juncture the meeting was adjourned until 10 am on 31 January 2022.

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Chairman/woman