

Minutes of the Audit Committee

26 March 2025

-: Present :-

Councillor Penny (Chairman)

Councillors Brook (Vice-Chair), Long and Spacagna

40. Apologies

An apology for absence was received from Councillor Maddison.

It was reported that, in accordance with the wishes of the Conservative Group, the membership of the Committee had been amended for this meeting by including Councillor Spacagna instead of Councillor Fellows.

41. Minutes

The Minutes of the meeting of the Audit Committee held on 25 February 2025 were confirmed as a correct record and signed by the Chairman.

42. Declarations of interests

No interests were declared.

43. Internal Audit Charter and Strategy

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

44. Internal Audit Plan 2025-26

The Audit Committee noted the report that set out the Internal Audit Plan for 2025-26. The Deputy Head of the Devon Assurance Partnership, informed Members that the audit plan represented the proposed internal audit activity for the year and an outline scope of coverage. Members were advised that the Audit Plan had been developed following consideration of various factors including global risk themes, risks to the Council as outlined in the Council's risk register, and the views of Directors, Senior Officers and Members. The Audit Plan needed to be flexible in order for Internal

Audit to be more agile and responsive to changing risks, therefore as the year progressed, any changes to the Audit Plan would be agreed by the Section 151 Officer with the Audit Committee being notified via Internal Audit's monitoring reports.

45. Torbay Council Audit Progress Report and Sector Update

Members noted a report on progress in delivering Grant Thornton's responsibilities as the Council's external auditors. The report also included a series of sector updates in respect of emerging issues.

Members attention was drawn to the proposed audit fees for 2023-24. Members were advised that the report contained the final fee proposal. The Public Sector Audit Appointments Limited (PSAA) would make the final determination. Given the variation in the proposed fee the PSAA would undertake a file review and meet with the Director of Finance before making a final determination. The Director of Finance informed Members that it was recognised that the audit of the Statement of Accounts took a lot of work on both sides. However, there would be elements of the proposed fees that he would be challenging. Both Grant Thornton and the Council recognised the need to implement recommended changes in order to make year-end processes better.

Members were advised that planning for the 2024/25 audit had already started, it was important to get back on track due to the Government's back stop audit requirements coming forward for 2025/26. Therefore, those involved wanted to use 2024/25 as a dry run, in doing so aiming for the completion of the audit by December 2025 rather than February 2026. Resulting in the planning and testing being undertaken now rather than in the summer.

46. Counter Fraud Plan 2025-26

Members noted a report that provided details of current and future counter fraud plans that supported delivery of the Counter Fraud and Corruption Policy. Members were advised that a counter fraud plan was essential for preventing and detecting fraudulent activities within the public sector. The plan aimed to strengthen the response to fraud and corruption. It involved leadership commitment, risk assessment, clear policies, staff training, collaboration, technology adoption, and ongoing monitoring.

Members were informed that Torbay would be taking part in a trial that utilises LoCTA Datahub as a legal gateway to share information from one council to another. Torbay Council will receive extracts of data on a weekly basis from every participating local authority. Thereby helping to detect small business rates relief fraud as well as tracing debtors who may have moved out of area.

(Note: at the conclusion of this item Councillor Spacagna left the meeting.)

47. Torbay Council Management Action Plan in response to the Auditor's Annual Report for the year ended 31 March 2024

Members noted a report that set out the final Statement of Accounts and Audit Findings Report which were circulated for information purposes. Members were advised that the Audit Findings Report included a number of management recommendations for which an action plan had been developed and was resulting in revised processes for the closure of the accounts.

48. Treasury Management Mid-Year Review 2024/25 Revisions

Members noted a report that set out a number of small errors which were identified in the Treasury Management Mid-Year Review 2024/25 which was presented to Audit Committee on 27 November 2024.

Members were advised that the majority of the figures in the mid-year report were providing information as at a point in time, the errors related to the investment balance figures as at the reporting period end (30 September 2024).

Following the identification of the errors, the Finance Team have reviewed practices and procedures to ensure that the likelihood of this happening was eliminated for future reports to the Audit Committee.

49. Audit Committee Self Assessment (CIPFA Guidance) 2024-25: Agree Committee Responses

Members of the Audit Committee undertook a self-assessment against CIPFA's 2022 Position Statement. As a result a number of recommendations were made and Audit Committee were asked to approve the responses to those recommendations.

Resolved:

That the Audit Committee's responses to the Audit Committee Self-Assessment (CIPFA Guidance) 2024/25 be approved.

50. Audit Committee Draft Annual Report

In November 2024 the Audit Committee undertook a self-assessment, to seek reassurance of compliance with CIPFA's 2022 Position Statement. One of the areas identified as a medium impact was the lack of publication of an annual report. The Audit Committee should report annually on how the committee had complied with the position statement, discharged its responsibilities, and include an assessment of its performance.

In order to seek compliance, an initial draft of an Annual Report had been developed as set out in Appendix 1 to the submitted report.

Resolved:

That delegated authority be given to the Director of Finance in consultation with the Chairman of the Audit Committee to finalise the Audit Committee's Annual Report for 2024/2025 prior to its submission to Council.

51. Consultation Response: Local audit reform - a strategy for overhauling the local audit system in England

The Audit Committee noted an update on the recent Ministry of Housing, Communities and Local Government (MHCLG) consultation on local audit reform which closed at the end of January 2025. Members were advised that the consultation sought views on six key areas of reform as included in the strategy for overhauling the local audit system in England.

Members further noted that the Council had responded to the consultation as set out in Appendix 2 to the submitted report.

52. Audit Committee Work Plan

Members noted the report subject to the External Audit Plan being brought forward to the Audit Committee meeting 28 May 2025.

Chairman/woman