

## **Minutes of the Audit Committee**

**25 May 2022**

**-: Present :-**

Councillor Loxton (Chairman)

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

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### **1. Apologies**

An apology for absence was received from Councillor Hill.

### **2. Auditor's Annual Report on Torbay Council 2020/21**

Members considered a report compiled by the Council's External Auditor's, Grant Thornton. Mr Dossett, Key Audit Partner, informed Members that under the National Audit Office Code of Audit Practice, Grant Thornton were required to consider whether the Council had put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, report in detail on the Council's overall arrangements including key recommendation on any significant weaknesses identified during the audit.

Mr Dossett informed Members that they did not identify any significant weaknesses and the recommendations made within the report were 'improvement' recommendations rather than 'key' recommendations.

Resolved:

That the Audit Committee recommends that:

- 1) the Director of Finance give consideration to making a clear distinction between statutory and discretionary spending in the budgeting information provided to members and published on the web; and
- 2) the Chief Executive consider whether, from the 2023 Municipal Year, the quarterly performance report should be presented to the Overview and Scrutiny Board enabling the Audit Committee to focus on the risk register and the mitigating action being taken to address the identified risks.

### **3. Audit Progress Report and Sector Update**

The Committee noted a report that set out a summary of emerging national issues and developments. Members attention was drawn to commentary in respect of the financial statements audit for 20/21. Members were informed that the financial

statements for 20/21 remained unsigned while the outcome of a CIPFA consultation relating to infrastructure assets remained unknown. The outcome of the consultation was expected by the end of June 2022 if the proposals were approved it would result in all councils needing to provide updated accounts for 20/21.

#### **4. Annual Audit Report 2021-22**

Members noted the Annual Audit Report 2021-22. The Head of the Devon Audit Partnership informed Members that based on work performed during 2021/22, experience from previous years, and the outcome of the annual follow up exercise, previously reported, the Head of Internal Audit's Opinion was one of "Reasonable Assurance" on the adequacy and effectiveness of much of the Council's internal control framework. The exception was Children's Services, where the opinion remained as 'Limited Assurance', although Internal Audit acknowledged the positive direction of travel as previously reported by Government appointed bodies for regulatory inspections.

Members asked questions in relation to the growth fund for Claylands, lessons learnt in respect of government grants provided during the Covid-19 Pandemic and audits in respect of Section 106 (S106) monies and Community Infrastructure Levy (CIL). The Head of the Devon Audit Partnership was asked to circulate the response in respect of the growth fund for Claylands and S106/CIL after the meeting.

#### **5. Treasury Management Outturn 2021-22**

Members noted the Treasury Management Outturn 2021-22 report which provided details of the treasury management activities undertaken during the year 2021/22 and compared to the 2021/22 Treasury Management Strategy.