

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Audit and Governance Committee held at Council Chamber, Blackdown House on 19 September 2024

Attendance list at end of document

The meeting started at 2.30 pm and ended at 4.07 pm

13 Minutes of the previous meeting

The minutes of the Audit and Governance Committee held on 25 July 2024 were confirmed as a true record.

14 Declarations on interest

There were no declarations made.

15 Public speaking

There were no members of the public wishing to speak.

16 Matters of urgency

There were none.

17 Confidential/exempt item(s)

There were none.

18 Auditor letter on the application of the local authority backstop

Peter Barber from Grant Thornton update Members about the backstop. He agreed this was not a desired position to be in and that this was a sector-wide problem across the Country. He pointed out that this did give an opportunity for a reset to work with the 2023/24 accounts onwards while meeting deadlines. The Committee's remit was to make sure that this happened as this was public money, with the council needing to prepare audited accounts.

The Chair stated that the ramifications for the 2021/22 and 2022/23 accounts going forward would impact future audits. Peter Barber confirmed this position but stated Grant Thornton were undertaking further work due to the backstop to give confidence in accounts going forward.

RECOMMENDED to Council;

That the backstop for 2021/22 and 2022/23 be recommended to Council with a covering report from the Director of Finance to explain the position for Members understanding.

19 Internal Audit Plan 2024-25 - SWAP

Lisa Fryer from SWAP presented the Internal Audit Plan 1 October 2024 to 31 March 2025. Members asked questions on controls within the Housing Services relating to finance and contract management. The Director of Finance stated there was ongoing work with SWAP relating to the control environment which would determine if more audit resource would be required to give Council assurance. The Director of Finance was requested that an update of this position be given at each meeting until this was handed to SWAP to report on.

RESOLVED:

That the Internal Audit Plan for 1 October 2024 to 31 March 2025 be noted.

20 **Internal Audit Activity Progress report - SWAP**

Lisa Fryer presented the Internal Audit Activity Progress Report – September 2024. She reported that 5 extra pieces of work had been added with some activities subsequently deferred to further in the year. She confirmed that key controls recommendations resulting from confidential audits would be brought back to the Committee. The key audits and monitoring included in the Plan would form the basis for next year's audit activity. During discussion concern was raised to several outstanding actions which was identified as down to management responsibility. Climate Change audits had been received but not at the time of publication of this report, they will be included on the next progress report. In response the Director for Finance stated that the Executive Leadership Team had discussed the high number of outstanding recommendations and requested that SWAP hold a workshop session with each Directorate to go through and prioritise the implementation of outstanding recommendations or to update where they had been completed or circumstances had changed to ensure an up-to-date position was being presented to Members.

RESOLVED:

That the progress made in delivery of the 2024/25 Internal Audit Plan as at the start of September, and the findings reported be noted.

21 **Strata Services Solutions - Internal Audit Report Annual Opinion**

The Committee received audit assurance through the independent work and reports from SWAP, however the internal audit of the Councils ICT provision (Strata Services Solutions) was audited by the Devon Assurance Partnership (DAP). Joanne McCormick from DAP presented this annual opinion. During discussion it was asked that the report be received in a timelier manner for the March committee meeting each year. A focus on business and backup continuity was asked for. It was requested by the Committee that Strata presented to them the current position relating to an of concern highlighted in the assurance statement on back up processes. If appropriate for DAP to be present.

The Audit Opinion for 2023/24 was Reasonable Assurance.

RESOLVED:

That the annual audit opinion for Strata Services Solutions Ltd be noted.

22 **Risk Management Project update**

It had been recognised the need to review the risk management practices including undertaking a full review of the risk register entries. To support this work, the council had engaged with a risk specialist from Gallagher Bassett. The report proposed a project to undertake the review and project plan which had been approved by the Senior Leadership Team. It was explained that the cost of this review was covered and given as a free service as part of the added value within the Council's insurance contract.

RESOLVED:

That the risk project and way forward be noted.

23 **Audit and Governance Forward Plan**

Audit and Governance Committee Forward Plan items to be considered at the 21 November 2024 committee included:

- Internal Audit Plan Progress report 2024/25
- Interim Auditor's Annual Report 2022/23 – to inc. information on the backstop of the 2021/2022/2023 accounts
- Value for Money report
- Fraud Strategy Delivery Plan
- Project review of Housing procurement (Part B)
- Financial Monitoring report 2024/25 - Month 5
- Strata update on limited assurance and business continuity and backups

Attendance List

Councillors present:

I Barlow
C Burhop (Chair)
R Collins
O Davey (Vice-Chair)
C Fitzgerald
M Goodman

Officers in attendance:

Amanda Coombes, Democratic Services Officer
Jo Avery, Management Information Officer
Peter Barber, Grant Thornton
Simon Davey, Director of Finance
Lisa Fryer, SWAP
Connor McLaughlin Nester, SWAP
John Symes, Finance Manager
Anita Williams, Principal Solicitor (Deputy Monitoring Officer)
Joanne McCormick, DAP

Councillor apologies:

K Bloxham
C Brown
S Gazzard
J Whibley

Chair

Date: