

**MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER, FOLLATON HOUSE, PLYMOUTH ROAD,
TOTNES ON THURSDAY, 27 JULY 2023**

Members in attendance			
* Denotes attendance			
Ø Denotes apology for absence			
*	Cllr L Bonham (Chairman)	*	Cllr C Oram
*	Cllr S Dennis	*	Cllr A Presswell
Ø	Cllr D Hancock	*	Cllr S Rake
*	Cllr A Nix (Vice-Chairman)	*	Cllr G Yardy

Member(s) also in attendance:
Cllrs Brazil and Cllrs Birch and Hopwood (via Teams)

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Section 151 Officer; Director – Strategy & Governance; Head of Finance; Director of Customer Service & Delivery (via Teams); Senior Democratic Services Officer; Assistant Director – Strategy & Organisational Development (via Teams); Internal Audit Manager; Grant Thornton – Key Audit Manager

AG.08/23 MINUTES

The minutes of the Audit and Governance Committee meeting held on 6 July 2023 were confirmed as a true and correct record.

AG.09/23 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting, but there were none made.

(The order of the agenda was changed from the published version to facilitate a discussion on the Internal Audit Report (agenda item 6 (Minute AG.10/23 below refers)) before the Committee considered the Annual Governance Statement (agenda item 5) (Minute AG.11/23 below refers))

AG.10/23 ANNUAL INTERNAL AUDIT REPORT 2022/23

The Committee was provided with the annual report which summarised the internal audit assurances during 2022-23 and informed the Annual Governance Statement. The Internal Audit Manager provided a detailed introduction to his paper.

In discussion, particular reference was made to:

- (a) Procurement and that a number of councils had signed up to the Devon Procurement Strategy a number of years ago and were now

looking to create a new strategy setting out the aims and the objectives. SHDC, West Devon Borough Council and Teignbridge District Council shared a Procurement Officer and Members queried whether the arrangement provided sufficient procurement expertise and capacity.

- (b) Audit Recommendations were categorised as being low, medium and high and Heads of Service had the responsibility to oversee them and this arrangement had been in place for the last 10 months;
- (c) Totnes Market and how this had been administered. The Committee requested that its Work Programme be updated to invite the Director of Customer Services and Delivery (who has responsibility for Totnes Market) to a future meeting of the Committee to share how the issues would be addressed;
- (d) the Building Maintenance audit work was on-going and a report would be presented to the Committee at the next meeting.

It was then:

RESOLVED

That Members note the Internal Audit Report for 2022-23 and consider it further when reviewing the Annual Governance Statement.

AG.11/23

DRAFT STATEMENT OF ACCOUNTS AND DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23

The Committee considered a report that gave the narrative statement to the accounts and provided a summary of the main items in the Statement of Accounts for 2022/23.

In discussion, particular reference was made to:

- (a) The Statement of Accounts would be audited by Grant Thornton but not until January 2024;
- (b) The surplus of £57,000 on the 2022/23 Accounts and how this was explained within the Accounts. It was agreed that further narrative around the additional costs and additional income would be included within the Narrative Statement;
- (c) Car parking charges had last been increased 4 years ago by an inflationary amount;
- (d) Producing an addendum report which provided a short narrative outlining the key financial figures in the Accounts.

The S151 Officer was asked to include some additional narrative in the Narrative Statement with regards the waste and recycling service being brought back in house and the approved use of reserves to fund the transitional costs. There were exceptional one-off transitional costs of £1.5m in 22/23 of bringing the waste and recycling service back in house.

It was **PROPOSED** and **SECONDED** and when put to the vote was declared **CARRIED** that:

'A summary report which includes significant events to be produced alongside the Audited Statement of Accounts' to share as a communication with residents'.

It was then:

RESOLVED

1. That the Draft Statement of Accounts and the Draft Annual Governance Statement (AGS) for the financial year ended 31 March 2023 were noted; and
2. That a summary report (which includes significant events) be produced alongside the Statement of Accounts to be shared as a communication document with residents

AG.12/23

INDEPENDENT MEMBER OF THE AUDIT AND GOVERNANCE COMMITTEE

The Committee considered the report which set out the CIPFA (The Chartered Institute of Public Finance) position statement that stated that "The Audit Committees of Local Authorities should include co-opted independent members in accordance with the appropriate legislation."

In discussion, the following points were raised:

- (a) Specialised knowledge in accountancy would be a requirement in this role;
- (b) A remuneration package would be offered and expectation to attend at least 4 meetings and to spend time reading the agenda and assimilate the information;
- (c) It may not be possible to have both independent members present at every Audit and Governance meeting and the current meeting dates would remain the same.

It was then:

RESOLVED

1. That the S151 Officer work with the Devon Audit Partnership in progressing the appointment of up to two Independent Members to the Audit and Governance Committee as soon as is reasonably practicable during 2023/24;
2. That consideration be given to joint appointments of independent persons to more than one Devon Local Authority Audit Committee (through a joint exercise with neighbouring Local Authorities in Devon, co-ordinated through the Devon Audit Partnership);
3. That Devon Local Authority partners consider setting a consistent remuneration value, to avoid competing with one another in what may be a limited pool of candidates;

4. That it be noted that Independent Members would not have voting rights on the Audit and Governance Committee;
5. That the S151 Officer present a report to a meeting of Full Council following the conclusion of the recruitment exercise, to formally appoint the successful co-opted Independent Member(s) to the Audit and Governance Committee.

AG.13/23 **AUDIT COMMITTEE WORKPLAN 2023/24**

Members were presented with the latest version of the Committee Work Programme and noted its contents.

It was then:

RESOLVED

That the Committee Workplan 2023/24 (as set out within the published agenda papers) be updated to include:

- Building Maintenance Report – September
- Update on the recommendations (Audit Tracker) – September
- Totnes Market Report - December
- Strategic Risk Register and Risk Strategy - December
- Risk Policy - December
- Internal Audit on car parking in the Internal Audit plan to include costs and benefits - March
- St Ann's Chapel Task and Finish - December

(Meeting commenced at 9:30 am and concluded at 12.18 pm)

Chairman