

**MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER, FOLLATON HOUSE, PLYMOUTH ROAD,
TOTNES ON THURSDAY, 6 JULY 2023**

Members in attendance			
* Denotes attendance			
∅ Denotes apology for absence			
*	Cllr L Bonham (Chairman)	*	Cllr C Oram
*	Cllr S Dennis	*	Cllr A Presswell
*	Cllr D Hancock	∅	Cllr S Rake
*	Cllr A Nix (Vice-Chairman)	*	Cllr G Yardy
		*	Cllr L Lawford (<i>substituting for Cllr S Rake</i>)

Member(s) also in attendance:
Cllrs S Rake (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; Democratic Services Manager; Assistant Director – Strategy & Organisational Development; Internal Audit Manager; Grant Thornton – Key Audit Manager (via Teams)

AG.1/23 WELCOME AND INTRODUCTIONS

In recognition that this was the first meeting of the Audit and Governance Committee since the recent May 2023 local elections, the Chairman formally welcomed Members and officers to the meeting.

AG.2/23 MINUTES

The minutes of the Audit and Governance Committee meeting held on 9 March 2023 were confirmed as a true and correct record.

AG.3/23 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.

AG.4/23

GRANT THORNTON SECTOR UPDATE REPORT AND UPDATE ON THE 2022/23 AUDIT PROCESS

The Committee considered a paper from Grant Thornton that provided a progress update on delivering their responsibilities as the Council's External Auditors.

In recognition that this was the first meeting of the Committee since the recent local elections, the Grant Thornton Engagement Lead provided a detailed introduction to his paper.

In so doing, he specifically repeated the serious recruitment challenges that continued to plague the audit industry and set out some of the steps that were being undertaken by Grant Thornton to mitigate these significant challenges.

In discussion, the Committee was of the view that the consequent extensive delays on the audit into the Council's accounts was wholly unacceptable. However, Members also recognised that this was a national problem for which there were no quick solutions to resolve.

Following a detailed discussion, it was **PROPOSED** and **SECONDED** and when put to the vote was declared **CARRIED** that:

'Grant Thornton be requested to give a firm commitment at the Committee meeting to be held on 28 September 2023 as to the timings of when the Council's Audit will be undertaken and completed.'

It was then:

RESOLVED

1. That the contents of the Update Report be noted; and
2. That Grant Thornton be requested to give a firm commitment at the Committee meeting to be held on 28 September 2023 as to the timings of when the Council's Audit will be undertaken and completed.

AG.5/23

REVIEW OF THE INTERNAL AUDIT PLAN FOR 2023-24

The Committee considered a report that sought to provide it with the opportunity to review and comment upon the Internal Audit Plan for 2023/24, which was originally approved by the Committee at its 9 March 2023 meeting (Minute AG.35/22 refers).

In discussion, particular reference was made to:

- (a) the elections / electoral registration audit. In response to a question over the date of the previous audit being unknown, officers confirmed that an audit into this area of Council work had just commenced;
- (b) three audits that had been found to have 'limited assurance'. As an update, the Committee noted that three audits had been found to have 'limited assurance' during 2022/23;
- (c) business continuity. Members were advised that the business continuity subject area would be encompassed within the audit on Procurement.

It was then:

RESOLVED

That the proposed Internal Audit Plan for 2023/24 (as set out at Appendix A of the published agenda report) be re-confirmed.

AG.6/23 STRATEGIC RISK UPDATE – JUNE 2023

Consideration was given to a report that set out the current strategic risks as considered by the Council Officer's 'Performance Board' in June 2023. Furthermore, the report also set out the intention to update the Risk and Opportunity Management Strategy by the Autumn of 2023 alongside the development of our next Corporate Strategy.

In discussion, the following points were raised:

- (a) Some Members felt that the current Strategic Risk Register should include reference to the Climate Change & Biodiversity Emergency. As a result, it was **PROPOSED** and **SECONDED** and, on being put to the vote, was declared **CARRIED**:

*'That the Committee **RECOMMEND** that the Climate Change & Biodiversity Emergency be added to the Strategic Risk Register.'*

- (b) Whilst there were risks associated with fraud to the Council, neither the Performance Board or the Section 151 Officer currently viewed these as being so significant to be included on the Strategic Risk Register;
- (c) As part of the commitment to review the Risk and Opportunity Management Framework (that was last reviewed in 2018), officers informed that they would welcome input and contributions from interested Members.

It was then:

RESOLVED

1. That the current Strategic Risk Register has been considered and the Committee **RECOMMEND** that the Climate Change & Biodiversity Emergency be added to the Register; and
2. That the intention be noted for the Strategic Risk profile of the Council and our adopted Risk and Opportunity Management Framework to be updated alongside the development of its new Corporate Strategy.

AG.7/23 AUDIT COMMITTEE WORKPLAN 2023/24

Members were presented with a draft version of the Audit Committee Workplan for 2023/24.

In consideration, the following points were raised:-

- (a) By having the ability to set their own Work Programme, the Committee welcomed the fact that it would have the opportunity to consider draft key project business cases prior to their consideration by the Executive;
- (b) Members supported the proposal of the lead Executive Member for Governance to establish a Freeport Task and Finish Group. Whilst the scope and terms of reference of the review would be approved at the first Group meeting, it was agreed by the Committee that:
 - the Group membership would consist of: Cllrs Bonham; Hancock; Nix; Presswell and Yardy; and
 - the concluding report of the Group should be presented to the Committee meeting to be held on 28 September 2023, with the Workplan being updated accordingly.

It was then:

RESOLVED

That the Committee Workplan 2023/24 (as set out within the published agenda papers) be formally adopted, subject to a Freeport Task and Finish Group (comprising of Cllrs Bonham, Hancock, Nix, Presswell and Yardy) being established that would be tasked with presenting its concluding report to the Committee meeting to be held on 28 September 2023.

(Meeting commenced at 3:00 pm and concluded at 4.20 pm)

Chairman