

At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **22<sup>nd</sup>** day of **November 2022** at **10.30am**

**Present:** Cllr K Ball (Chairman)  
Cllr M Davies  
Cllr L Samuel  
Cllr J Yelland

**Officers in attendance:** Section 151 Officer  
Deputy Section 151 Officer  
Internal Auditor  
External Auditor  
Head of Strategy and Projects (via Teams)  
Senior Specialist Finance  
Democratic Services Officer

**Also in attendance:** Cllr C Edmonds (lead Hub Committee Member) and Cllr C Mott

**\*AC 12 APOLOGIES**

Apologies were received from Cllr A Bridgewater

**\*AC 13 CONFIRMATION OF MINUTES**

The Minutes of the Committee Meeting held on 6 September 2022 were confirmed by the Committee as a true and correct record.

**\*AC 14 GRANT THORNTON AUDIT REPORT: AUDIT FINDINGS REPORT 2021/22**

The External Auditor took Members through the report and explained that the Council has been given a clean bill of health by external auditors, Grant Thornton LLP, who intended to issue an unqualified opinion on the Council's Accounts by the end of November. This means the Council's financial statements were properly prepared in accordance with the Accounting Code of Practice and gives a true and fair view of the financial position of the Council and its income and expenditure for the year.

Grant Thornton made specific reference to the high quality of the work and accounting records by the Council's finance team with very few adjustments to the draft accounts as a result of the audit. They stated that this reflects favourably in comparison to other Councils

The External Audit Engagement Lead also noted that the valuation of the net pension fund liability was a significant risk, however they had received informal assurances from the Auditor of the Devon Pension Fund and were awaiting formal assurances stating there were no significant risks found.

In regard to audit adjustments he stated depreciation adjustments to certain assets was the only adjustment to the Draft Accounts. The total

notional adjustments were just under £5,000. The Deputy 151 Officer explained the notional entry in regard to this.

Journal entries were flagged as amber and the Deputy 151 Officer explained that there are significant controls in place to mitigate the risks. She reassured Members these are only manual internal journals moving entries between cost centres. The S151 Officer believed there were significant controls in place and should they implement the recommendation from the auditors they would need at least another full time Accountant. She felt that would not be value for money for the tax payer.

The Deputy S151 Officer relayed to Members that following an audit recommendation from 2020/21 an officer in finance had invested a lot of time to create the automated transaction listing with the help of IT and that it had worked really well for the council and Grant Thornton.

The Committee noted their thanks.

A Member raised the question of the £5,000 remote working fee and whether it would still be payable given that the External Auditors were able to come on site again since the covid pandemic. The External Auditor confirmed there was no indication that this fee would be chargeable.

A Member raised a question over the Redmond Review asking if any pressure was being put on Government to issue guidelines. The External Auditor stated the guidelines for 2021 only came out a few months ago and that it was a well-documented challenge to all local authorities.

The Committee recorded their thanks to the S151 Officer and her team for their continued hard work.

It was then **RESOLVED** that:

The Grant Thornton Audit Report: Audit Findings Report 2021/22 was noted.

**\*AC15**

**ANNUAL STATEMENT OF ACCOUNTS 2021/2022**

The Lead Hub Member introduced the report to the Committee. He Stated that it was anticipated an unqualified audit opinion being issued. The S151 Officer and the Chairman of the Audit Committee would be signing a letter of representation to the External Auditors.

It was then **RESOLVED** that;

1. The wording of the Letter of Representation (Appendix A)
2. The audited Statement of Accounts for the financial year ended 31 March 2022 (Appendix B).
3. The Annual Governance Statement post audit (Appendix C).
- 4.

**\*AC16**

**REVENUE RESERVES**

The Hub Lead Member took Members through the report.

The S151 Officer highlighted a couple of reserves. The Financial Stability earmarked reserve had a balance of £454,000 and as part of this year's budget process £163,000 was added. The reserve was created from funding from the Business Rate pilot scheme in 2018/19. This is being held due to the uncertainty of the Local Government financial settlement which would be announced in December. The settlement is expected to be net nil cash position. Money was also being held in the New Homes Bonus earmarked reserve. If the New Homes Bonus scheme was to continue for another year the authority would expect to receive an allocation of £380,000. There was an earmarked reserve for the waste and cleansing service so as to do work at the Hayedown depot and to acquire an additional vehicle for the waste fleet. The S31 Business Rates reserve was not money available to the Council to spend, this holds monies from S31 compensation grants issued during the covid pandemic. This would be released back to the Collection Fund over the next two years. There was good news for businesses in the Retail, Hospitality and Leisure sector in the region who would be awarded 75% rate relief in 2023/24, as per the Chancellor's Statement.

It was then **RESOLVED** that;

The Audit Committee noted the Reserves position as at 31 March 2022 and the projected balances as at 31 March 2023 (7.92 million as set out in Appendix A).

**\*AC17**

#### **UPDATE ON PROGRESS ON THE 2022-23 INTERNAL AUDIT PLAN**

The Hub Lead Member introduced the report to Members. Three of the internal audits completed recently were given a rating of substantial assurance. These were the Business Grant Scheme, Treasury Management and Contract Management of the leisure contract. He complimented the administration of over 6,000 covid business grants which had to be administered on behalf of the government. These had to be paid at pace with fraud checks in place with limited resources. The Internal Auditor stated an internal audit was taking place on the new iTrent system. A risk report on the leisure centres showed post covid attendance records were increasing. The other risk report on the climate change audit and the actions being taken by the Council.

It was then **RESOLVED** that;

The progress made against the 2022/23 internal audit plan, and any key issues arising were noted and approved.

**\*AC18**

#### **OMBUDSMAN ANNUAL REVIEW LETTER**

The Hub Lead Member introduced the report stating that 14 complaints had been received by the Ombudsman service, only one of those was put forward for investigation and subsequently upheld. 219 complaints were received by the council from customers. 7 of those were upheld by the investigating officer. Effective handling of complaints is an important

tool for the council services and the report concludes that the council has commissioned the local government ombudsman to deliver complaint handling training to staff in key service areas.

It was then **RESOLVED** that;

The Audit Committee:

1. Reviewed the Ombudsman's Letter for 2022 (attached Appendix A); and
2. Noted the steps set out to ensure that the Council continues to address complaints fairly and in line with best practice.

**\*AC19**

**AUDIT COMMITTEE WORKPLAN**

It was confirmed the next Audit Committee meeting was scheduled for 24 January and the time would be confirmed.

(The Meeting terminated at 11.30 am)

Dated this

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Chairman