

**MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE  
HELD IN THE COUNCIL CHAMBER, FOLLATON HOUSE, PLYMOUTH ROAD,  
TOTNES ON THURSDAY, 24 NOVEMBER 2022**

<b>Members in attendance</b>			
<b>* Denotes attendance</b>			
<b>∅ Denotes apology for absence</b>			
*	Cllr L Austen (Chairman)	*	Cllr R Rowe
∅	Cllr J Brazil	*	Cllr B Spencer (Vice-Chairman)
∅	Cllr J McKay	*	Cllr B Taylor
∅	Cllr J T Pennington		

<b>Member(s) also in attendance:</b>
Cllrs H D Bastone; N Hopwood (via Teams) and J Pearce

<b>Item No</b>	<b>Minute Ref No below refers</b>	<b>Officers and Visitors in attendance</b>
All Items		Section 151 Officer; Head of Finance; Democratic Services Manager; Internal Audit Manager; and External Auditor.

**AG.26/22 MINUTES**

The minutes of the Audit and Governance Committee meeting held on 20 October 2022 were confirmed as a true and correct record.

**AG.27/22 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 none were made.

**AG.28/22 GRANT THORNTON AUDIT FINDINGS REPORT**

A Grant Thornton report was considered that highlighted the key matters arising from their audit of the Council's financial statements for the year ended 31 March 2022.

The External Auditor took Members through the report and explained that the Council had been given a clean bill of health by its external auditors, Grant Thornton LLP, who intended to issue an unqualified opinion on the Council's Accounts by the end of November 2022. This meant that the Council's financial statements were properly prepared in accordance with the Accounting Code of Practice and gave 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 only presentational adjustments to the draft accounts as a result of the audit. They stated that this reflected favourably in comparison to other Councils.

In discussion, the following points were highlighted:

- (a) The Committee was advised that there was a national issue affecting the completion of Audits for all Local Authorities with responsibility for significant Infrastructure Assets. A Statutory Instrument was awaited to resolve this issue and it was anticipated that it would come into force during early 2023. Until in place, Grant Thornton was unfortunately unable to formally complete the Audit. A Member questioned the nature of 'Infrastructure Assets' and it was confirmed that, for South Hams, this included the: Salcombe Fish Quay, Dartmouth Ferry Slipway, Pontoons and the Kingsbridge Quay Wall;
- (b) Members referenced the increasing duration of the annual Audit process with the completion dates having moved back from 31 July to 30 November over recent years and were disappointed that, through no fault of the Council, the Audit of the 2021/22 financial year would not be completed until well into 2023;
- (c) With regard to Value for Money requirements, it was noted that no significant weaknesses had been identified in the Council's arrangements for securing economy, efficiency and effectiveness in its use of Resources;
- (d) It was noted that good progress had been made against a recommendation generated during the 2020/21 audit in relation to the time and manual intervention previously required to produce transaction reports, with the information having been successfully drawn directly from the Software system for the 2022 Audit;
- (e) Members expressed their gratitude to the Section 151 Officer, Head of Finance and the Finance team for their hard work and commitment in managing the Council's resources so effectively.

It was then:

### **RESOLVED**

That the contents of the Grant Thornton Audit Findings Report be noted.

AG.29/22

### **ANNUAL STATEMENT OF ACCOUNTS 2021/2022**

Consideration was given to a report that presented a summary of net revenue and capital expenditure and sought approval of the audited Statement of Accounts for 2020/21.

The lead Executive Member for Finance gave thanks to the Finance Team and stated that the audited Statement of Accounts was a great credit to them and to the Council.

It was then

### **RESOLVED**

1. That the wording of the Letter of Representation (as at Appendix A of the presented agenda report) be approved;
2. That the audited Statement of Accounts for the financial year ended 31 March 2022 (as at Appendix B of the presented agenda report) be approved;
3. That the Annual Governance Statement post audit (as set out at Appendix C of the presented agenda report) be approved;
4. That authority be delegated to the Chairman of the Audit and Governance Committee to sign off the Accounts following any notional changes required from the publication of the infrastructure assets statutory instrument (as detailed in paragraphs 4.1 to 4.5 of the published agenda report).

### **AG.30/22 UPDATE ON PROGRESS ON THE 2022-23 INTERNAL AUDIT PLAN**

A report was considered that sought to inform Members of the principal activities and findings to date of the Council's Internal Audit Team for 2022/23.

In discussion, the following points were raised:

- (a) The Committee was informed that three Internal Audits had recently been completed and had delivered 'Substantial Assurance'. These were Audits of: 'Treasury Management'; 'Contract Management – Leisure'; and the 'Business Grants Scheme'. Members noted that the Audit of the Business Grants Scheme had been undertaken during the period that £86 Million had been paid through 16,600 Covid Support Grants which were administered at pace and with the appropriate due diligence fraud checks being in place;
- (b) Officers stated that three further Audits that had rec been undertaken into: 'Payroll'; the 'Dartmouth Lower Ferry'; and 'Climate Change' had delivered 'Reasonable Assurance';
- (c) It was noted that Fraud was a growing issue nationally and it was confirmed that a Fraud Risk Assessment was planned to take place over the coming months;
- (d) A Member suggested that, to help lessen the risk of Fraud, error and

theft, the Council might consider conducting a review into ending cash transactions across all of its services (e.g. the taking of cash in Council car parks);

- (e) The Committee noted that there was good progress being made to deliver most of the audit plan by April / May 2023.

It was then:

**RESOLVED**

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

**AG.31/22     AUDIT & GOVERNANCE COMMITTEE WORKPLAN 2022-23**

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

(Meeting commenced at 2:00 pm and concluded at 2.50 pm)

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Chairman