

AUDIT COMMITTEE

27 November 2023

Present:-

Councillors R Scott (Chair), F Biederman, R Chesterton, R Peart, I Roome and C Whitton

Apologies:-

Councillors M Hartnell

* 90

Minutes

RESOLVED that the Minutes of the meeting held on 25 September 2023 be signed as a correct record

* 91

Items Requiring Urgent Attention

There was no item requiring urgent attention.

* 92

Devon Pension Fund - Audit Findings

The Committee received the Report of Grant Thornton on the Audit Findings for Devon Pension Fund, which set out the findings arising from the audit of the Fund's financial statements for 2022/23.

Two significant risks identified in the Audit Plan were Management override of controls and Valuation of Level 3 investments.

It was expected to bring the final Audit Findings Report and financial statements to the Committee's next meeting in February.

* 93

Devon County Council Audit Progress and Sector Update

The Committee noted the Report by Grant Thornton of the Audit Progress Report and Sector Update for Devon County Council and Devon Pension Fund 2022/23, including a summary of emerging national issues and developments that may be relevant to the Council.

There followed discussion around the SEND deficit, and Officers confirmed they were working with financial advisors from the Department for Education who were providing help and support to the Council in its submission to the Safety Valve Scheme in December.

Officers also confirmed that as at the end of last year the SEND deficit stood at £125 million and that the forecast overspend for month 6 was £37 million. There had been no agreement for Devon yet and, although some safety valve

interventions had been settled, the Department for Education had stated that each Authority was dealt with on a case by case basis. After Devon's submission in December, there would be further negotiations in January with an outcome in early February.

Members requested that relevant Officers attend the next Committee meeting in February to provide an update on the Safety Valve negotiations.

* **94** **Internal Audit Update**

The Committee considered the Report of the Director of Finance and Public Value (FPV/23/118) on the Internal Audit Update for 2023/24, which provided an update on the opinion of the Council's Internal Audit Service (Devon Audit Partnership) and described the progress against the internal audit plans for 2023/24 that were approved by this Committee in February 2023.

The work and the continuing contribution of Devon Audit Partnership to both risk management and anti-fraud arrangements within the Council, lead to an opinion that the Council continued to have an effective framework of control which provides reasonable assurance regarding the effective, efficient and economic achievements of its objectives.

Overall, based on work performed during 2023/24 to date and experience from the previous year's audit, the Head of Internal Audit's mid-year Opinion was of Reasonable Assurance on the adequacy and effectiveness of the internal control framework within the County Council.

Discussions points with Members and Officers included:

- the Director of Finance and Public Value and the Chief Executive met regularly with the Children's Leadership team to discuss their business processes and to provide extra resource with recognised issues through the One Devon approach; and
- payments for full-time EHCP placements which were paid up front, but in some cases were only partially attended. Officers reported that overpayments was an area currently being looked at and suggested the Committee await the update from the audit follow-up.

* **95** **Risk Management Update**

The Committee reviewed the Report of the Director of Finance and Public Value (FPV/23/117) on the In-year Risk Management Update, which set out the risk position of the Council, updates on changes to risk management arrangements during 2023/24 to date and confirmed the role of the Committee as per the Council's Risk Management Policy.

The Report further explored and summarised the existing risk position via links to visual reporting of risks using the Power BI platform.

The risk in numbers graphic in the report had now been updated to show that there were now a total of 8 Very High risks.

New risks included on the Risk Register related to 'High Consequence Infectious Disease' and risk of 'Insufficient capacity to support the Mental Capacity Act practice quality'.

* **96** **Counter Fraud Update**

The Committee noted the Report of the Director of Finance and Public Value (FPV/23/118) that set out the Counter Fraud work being undertaken on behalf of and by the Council for the first six months of the financial year 2023/24 and supported the Council's ongoing commitment as outlined in its Anti-Fraud Bribery and Corruption Policy/Strategy and Response Plan.

The Report aimed at informing the Committee of ongoing activity in the fight against fraud, to protect the public purse and retain public confidence that the Council recognised the harm that fraud could cause in the community and that it was protecting itself and its residents from fraud.

Of highlight was the Single Person Discount exercise which was underway, where around £150,000 of income would be collected; and the Government's new 'failure to prevent fraud offence' which would improve fraud prevention and protect victims.

* **97** **Exclusion of the Press and Public**

RESOLVED that the press and public be excluded from the meeting for the following item of business under Section 100(A)(4) of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act, information relating to the financial or business affairs of an individual (including the authority holding that information) and, in accordance with Section 36 of the Freedom of Information Act 2000, by virtue of the fact that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

* **98** **IT Asset Management**

(An item taken under Section 100A (4) of the Local Government Act 1972 during which the press and public were excluded)

The Committee received the Report of the Director of Finance and Public Value (FPV/23/116), which set out the audit work performed and the associated issues raised.

NOTES:

4

AUDIT COMMITTEE

27/11/23

1. *Minutes should always be read in association with any Reports for a complete record.*
2. *If the meeting has been webcast, it will be available to view on the [webcasting site](#) for up to 12 months from the date of the meeting*

* **DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.15 pm and finished at 4.15 pm