

## AUDIT COMMITTEE

28 July 2020

Present:-

Councillors I Hall (Vice-Chair), R Peart, A Saywell, J Mathews (Chair) and G Sheldon

Apologies:-

Councillors J Berry and J Brazil

\* 86

**Minutes**

**RESOLVED** that the Minutes of the meeting held on 27 February (previously circulated) be signed as a correct record

\* 87

**Items Requiring Urgent Attention**

88

**Addendum to external audit plan for the County Council to reflect the implications of COVID-19**

The Committee received an addendum to the report of Grant Thornton setting out the external auditors' audit plan for Devon County Council covering 2019/20. The addendum reflected the implication of COVID-19 on the audit approach.

The changes to the audit approach include:

- Identifying a new significant financial statement risk
  - Reviewing the materiality levels we determined for the audit.
- No changes to the materiality assessment as a result of the risk identified due to Covid19 were identified.

The VfM risk assessment was updated to document the understanding of arrangements to ensure critical business continuity in the current environment. No new VfM risks in relation to Covid-19 in the 2019/20 financial year were identified.

It was **MOVED** by Councillor Peart, **SECONDED** by Councillor Hall and

**RESOLVED** that the report and findings be noted.

89

**Addendum to External Audit Plan for the Pension Fund to reflect the implications of COVID-19**

The Committee received an addendum to the report of Grant Thornton setting out the external auditors' audit plan for The Devon Pension Fund covering 2019/20. The addendum reflected the implication of COVID-19 on the audit approach.

The changes to the audit approach include:

- Identifying a new significant financial statement risk
  - Reviewing the materiality levels we determined for the audit.
- No changes to the materiality assessment as a result of the risk identified due to Covid19 were identified.

It was **MOVED** by Councillor Hall, **SECONDED** by Councillor Saywell and  
**RESOLVED** that the report and findings be noted.

**90**      **External Audit Update**

The Committee received the Report of Grant Thornton outlining the progress made in delivering their responsibilities as the Council's external auditors.

It was **MOVED** by Councillor Peart, **SECONDED** by Councillor Saywell and  
**RESOLVED** that the report and findings be noted.

**91**      **Risk Management Annual Report 2020/21**

The Committee considered the Report of the County Treasurer (CT/20/62) which sets out the Risk Management Policy and Strategy for 2019/20.

The Committee welcomed particularly the .

It was **MOVED** by Councillor Saywell, **SECONDED** by Councillor Peart and

**RESOLVED**

- (a) that the Committee notes the changes and updates to the risk management process as supported by Devon Audit Partnership;
- (b) that Members note the roles and responsibilities identified in the update report and the revised Risk Management Policy and Strategy;
- (c) that the Committee notes the current risk position for all risks;
- (d) that Members note the 11 risks currently ranked the highest;
- (e) that the relevant Scrutiny Committees be invited to review the latest position on the top 11 risks.

**92**      **Annual Internal Audit Report 2019/20**

The Committee received the Report of the County Treasurer (CT/20/63) on the performance of Devon Audit Partnership against the internal audit plans for 2019/20, concluding that internal audit was able to provide significant assurance on the adequacy and effectiveness of the Council's internal control framework.

The Members of the Committee raised the issue of the progress of auditing ICT Key Financial Systems. Members were told they would be updated on this area.

It was **MOVED** by Councillor Hall, **SECONDED** by Councillor Peart and

**RESOLVED**

- (a) that the internal audit opinion that the Council's systems contain a satisfactory level of internal control be noted;
- (b) that the satisfactory performance and achievements of Devon Audit Partnership during 2019/20 be noted.

**93 Control Environment for Devon County Council**

The Committee received the Report of the County Treasurer (CT/20/64) on the yearly requirement of the Audit Committee and Section 151 Officer to respond to enquiries from the external auditors (Grant Thornton) regarding the overall control environment of the Council, with particular focus on the arrangements in place to ensure that the production of the financial statements were free of material error.

The Committee will be required to authorise the accounts in July following careful consideration of the auditors' report. The letter attached to the Report, from the Section 151 Officer set out the details of the control environment.

It was **MOVED** by Councillor Saywell, **SECONDED** by Councillor Peart and

**RESOLVED**

(a) that the Report be noted and that the response from the County Treasurer including the conclusion that the authority's accounts be prepared on a Going Concern basis be endorsed;

(b) that the proposed response to the external auditor's question to the Audit Committee on fraud be approved.

**94 Annual Governance Statement 2019/20**

The Committee considered the Report of the Leadership Group (CS0/20/13) on the Annual Governance Statement which the Council was required to publish in accordance with CIPFA/SOLACE guidance and to comply with Regulation 6 of the Accounts and Audit (England) Regulations 2015.

The Statement confirmed that the governance arrangements provided a high level of assurance; that the arrangements continued to be fit for purpose and that the Council's governance structures reflected the core and sub-principles of the Governance Statement.

It was **MOVED** by Councillor Hall, **SECONDED** by Councillor Peart and

**RESOLVED** that the Annual Governance Statement for 2019/20 be approved and the Chair be authorised to sign the Statement.

**95 Audit Committee Annual Plan 2020**

The Committee to note the Annual Plan and forthcoming business, attached.  
Minutes:

The Committee noted the current Work Programme and

It was **MOVED** by Councillor Hall, **SECONDED** by Councillor Peart, and

**RESOLVED** that the current outline Work Programme be noted.

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

The Meeting started at 14:15 and finished at 15:10