

AUDIT COMMITTEE

24 February 2022

Present:-

Councillors R Scott (Chair), I Hall (Vice-Chair), D Barnes, J Berry, R Peart and I Roome

Apologies:-

Councillors F Biederman

* 27

Minutes

RESOLVED that the Minutes of the meeting held on 23 November 2021 be signed as a correct record.

* 28

Items Requiring Urgent Attention

There was no item raised as a matter of urgency.

* 29

2020/21 Audit Findings Report for Devon County Council

The Committee considered the Report of Grant Thornton via the Director of Finance (DF/22/19) on the Audit Findings Report for Devon County Council.

The Report was provided to Members as an update on progress of the audit on the Council's financial statements since the last meeting of this Committee, with some items still outstanding. Members were advised that based on current indicators the external auditors anticipated offering an unqualified audit opinion on the Council's statements.

Members noted the Report.

* 30

Statement of Accounts and Annual Governance Statement

The Committee considered the Report of the Director of Finance (DF/22/21) on the Statement of Accounts and Annual Governance Statement. At the request of the external auditors (since the re-approval of the Statement of Accounts in November) an amendment had been made to the Authority's Statement of Accounts.

An increase in the Pension Liability of £40.5 million, mirrored by an equal increase in the unusable pension reserve, was highlighted to Members as the amendment made to the Statement of Accounts. Members were advised that this had no impact on the Authority's usable reserves, representing in essence a balance sheet adjustment.

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

RESOLVED that

(a) the Letters of Management Representation for the Devon Pension Fund and the County Council be approved;

(b) the Authority's Statement of Accounts for 2020/21 be approved;

(c) the Pension Fund Statement of Accounts for 2020/21 be approved; and

(d) the preparation of both the Statement of Accounts for the Pension Fund and for the County Council be approved on a going concern basis.

* 31 **Children's Services Update Report**

(In accordance with Standing Order 23(2) Councillor Scott had asked that the Committee consider this item)

The Committee considered the Report of the Chief Officer for Children's Services regarding the risk position and likely possibility of a young child in Devon losing their life in similar circumstances to those that had recently been reported on in the national media.

Members were presented with the Children's Services Improvement Plan alongside a performance dashboard that outlined the current performance indicators for the service area. Additionally, it was highlighted the Committee that one child per week dies under circumstances similar to those reported on nationally and that the focus was on mitigating this risk where possible, but that to reduce the number to zero would not be a realistic or achievable target.

It was explained to the Committee that Children's Services had been facing several challenges in mitigating such risk, many of which were not unique to Devon. These included an ongoing recruitment crisis and high turnover of staff, which was a national problem faced by many other Authorities; as well as a growing number of children classified as 'in need,' and a growing number of children subject to a Child Protection Plan (CPP), both of which contributed to increasing levels of demand on services and on individual caseworkers. The COVID-19 pandemic had also exacerbated existing problems.

In terms of potential solutions, it was highlighted to Members that one of the main priorities was early intervention – namely, the available evidence suggested that identifying risk early helped not only to 'get a foot in the door,' but also that parents were willing to co-operate and voluntarily assist in the process when help was offered early.

Member discussion points included:

- the reasoning for the increase in CPPs allocated since the beginning of the Coronavirus pandemic to a total of 636 at the time of the meeting. It was explained that this could be due to various factors such as pre-existing problems being exacerbated by the pandemic; and also a 'better safe than sorry' approach in referrals to the CPP service in response to the January 2020 Ofsted inspection;
- the importance of maintaining positive relationships, including provision to challenge external agencies within a context of mutual respect and desire to achieve the best for Devon's children;
- the ongoing problems with recruitment and possible solutions. It was noted, for instance, that the issues extended into other areas such as the availability of affordable housing which made it difficult for social workers to settle in the area; and
- concern over weaknesses previously highlighted in the Multi-Agency Safeguarding Hub (MASH) IT system. Members were advised that work was ongoing to ensure the stability and effectiveness of the system as well as undergoing work with IT colleagues that would allow online referrals directly into the system, hence making the process more straightforward for parents and carers and more efficient in terms of processing referrals.

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

RESOLVED that Children's Scrutiny be requested to examine the risk position any improvement required relating to the risk of a young child in Devon losing their life in such circumstances as highlighted in the opening question to this Report.

* **32** **Internal Audit Update**

The Committee considered the Report of the Director of Finance (DF/22/29) which provided Members the current to date opinion of the Council's Internal Audit Service (Devon Audit Partnership, DAP) and progress made since the last meeting. The opinion was provided to Members that the Council continued to have an effective framework of control which provided reasonable assurance with regards to the effective, efficient and economic management of its objectives.

Members were advised that none of the audit work that had been completed since the last meeting had been issued with a "No Assurance" audit opinion.

Members noted the Report.

* **33** **Counter Fraud Update**

The Committee considered the Report of the Director of Finance (DF/22/31) which updated Members on the actions of Counter Fraud Services since the last meeting.

Member discussion centred around the importance of sensitivity when examining blue badge fraud.

Members noted the Report.

* **34** **Risk Management Update**

The Committee considered the Report of the Director of Finance (DF/22/16) which updated Members on changes to risk management arrangements during 2021/22 and set out the current risk position of the Council.

The current risk position was complemented with a presentation to Members of the Power BI Risk Database.

Members noted the Report.

* **35** **2022/23 Internal Audit and Counter Fraud Plan**

The Committee considered the Report of the Director of Finance (DF/22/30) on the Internal Audit and Counter Fraud Plan 2022/23.

The plan outlined the programme of internal audit work for the financial year 2022/23, the key objectives of Internal Audit, the manner of delivery of the Internal Audit Service and the future reporting of progress to this Committee.

Member discussion centred around ensuring that adequate room for flexibility was built into the Internal Audit and Counter Fraud Plan to ensure that Internal Audit were prepared to deal with unexpected changes in priority throughout 2022/23.

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

RESOLVED that the Internal Audit Plan for 2022/23 be approved.

NOTES:

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 2.16 pm and finished at 4.25 pm