

AUDIT COMMITTEE

30 September 2024

Present:-

Councillors R Scott (Chair), F Biederman, I Chubb and C Whitton

Apologies:-

Councillors M Hartnell, A Connett and R Peart

Members attending in accordance with Standing Order 25

Councillor J McInnes

* **127** **Declarations of Interest**

There were no declarations of Interest.

* **128** **Items Requiring Urgent Attention**

There was no item requiring urgent attention.

* **129** **Minutes**

RESOLVED that the Minutes of the meeting held on 26 June 2024 be signed as a correct record

* **130** **Forward Plan**

The Chair suggested that the Committee conduct a self-assessment of their effectiveness, working with Officers from Devon Assurance Partnership, to be reported back to the Committee in February.

* **131** **Devon Pension Fund - Audit Findings 2023/24**

The Committee noted the Report of the Director of Finance and Public Value (DFP/24/99) together with the Report of Grant Thornton on the Audit Findings for Devon Pension Funded.

The Report set out the findings arising from the audit of the Pension Fund financial statements for 2023/24 and described the work that the external auditor had undertaken to address the risks identified in the Audit Plan, as presented to the Audit Committee on 26 June 2024.

Members noted that Grant Thornton had indicated its intention to issue an unqualified audit opinion in respect of the 2023/24 financial statements in mid-October 2024, subject to remaining work being completed.

* **132** **Devon County Council - Audit Findings 2023/24**

The Committee noted the Report of the Director of Finance and Public Value (DFP/24/100) together with the attached Audit Findings Report 2023/24 for Devon County Council provided by the External Auditor, Grant Thornton.

The Audit Findings report set out the findings arising from the audit of the Council's financial statements for 2023/24. It also described the work that the external auditor had undertaken to address the risks identified in the Audit Plan, which had been presented to the Audit Committee on 26 June 2024.

The External Auditor reported that subject to resolution of the issues outlined in the Report, it anticipated issuing an unqualified opinion in mid-October 2024.

* **133** **Statement of Accounts and Annual Governance Statement 2023/24**

The Committee reviewed and considered the Report of the Director of Finance and Public Value (DFP/24/101) on the Authority's Statement of Accounts for 2023/24. It was noted that the external auditor had indicated that the anticipated outcome was an unqualified audit opinion in mid-October, subject to the satisfactory conclusion of outstanding issues.

The Authority had published the unaudited Statement of Accounts on 30 May 2024, to meet the deadline brought in by Parliament of 31 May. The Statement of Accounts was based on the Outturn Report that had already been presented to Cabinet.

It was **MOVED** by Councillor Chubb, **SECONDED** by Councillor Biederman and

RESOLVED that:

- (a) the Annual Governance statement for 2023/24 be approved;
- (b) the Authority's Statement of Accounts for 2023/24 be approved;
- (c) the Pension Fund Statement of Accounts for 2023/24 be approved;
- (d) the Management Letters of Representation in respect of the financial statements of both Devon County Council and Devon Pension Fund for the year ended 31 March 2024 be approved and signed by the Chair on behalf of the Committee; and

- (e) in respect of (b) and (c) above, the Committee delegates authority to the Director of Finance and Public Value, in consultation with the Chair of the Audit Committee, to make minor changes to the Statement of Accounts for Devon Pension Fund and/or Devon County Council if required as the external audit is finalised and prior to publication of the audited accounts.

* **134** **External Auditor's Annual Report 2023/24**

(Councillor McInnes attended in accordance with Standing Order 25 and spoke to this item at the invitation of the Committee.)

The Committee noted the Report of the Director of Finance and Public Value (DFP/24/102) and the Auditor's Annual Report for 2023/24 financial year, which summarised the work undertaken and final findings and recommendations in relation to value for money.

The External Auditor, Grant Thornton, was required to provide an Auditor's Annual Report each year which confirmed its Opinion on the Authority's financial statements and any significant matters in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Grant Thornton highlighted the key recommendations for Financial sustainability, Governance, and Improving economy, efficiency and effectiveness. The positive direction of travel in these areas was noted and the need for continued effort was emphasised.

The Director of Legal & Democratic Services informed the Committee of the ongoing work to improve governance and scrutiny, including better data sharing and more effective briefings for scrutiny members. The Director would also be working with procurement colleagues to bring to the Committee a detailed action plan on the new procurement regulations coming into force shortly.

(Discussion on this item was paused to allow item 13 to be discussed due to Chief Officer time constraints.)

* **135** **Children's Services Improvement Actions Limited Assurance Report**

The Committee received the Report of the Director of Children and Young People's Futures (CS/24/32) on Improvement Actions on Limited Assurance Reports, which been requested at the June Audit Committee.

The Committee noted the actions, progress and challenges contained in each element of the audit report since the audits were conducted in March 2024, and the continued commitment of the Children's leadership team to work with Devon Assurance Partnership as part of the ongoing improvement plans.

The Committee were updated on the improvements in Children's Services, including staff recruitment, transitions into adulthood, and oversight of independent placements. They emphasised the importance of stable leadership and governance in achieving these improvements.

The Chief Executive stated she would bring to the Special Audit Committee in November a detailed action plan outlining the governance and oversight arrangements for Children's Services, including timelines, outcomes and responsibilities.

* 134
contd

External Auditor's Annual Report 2023/24 (continued)

There followed discussion around the financial challenges related to SEND, emphasising the need for policy changes at national level to address these issues. Also highlighted was the importance of collaboration with partners and the role of members in advocating for these changes

* 136

Internal Audit Update

The Committee reviewed and considered the Report of the Director of Finance and Public Value (DFP/24/86), which provided an update on the opinion of the Council's Internal Audit Servicer (Devon Assurance Partnership) and described the progress against the internal audit plans for 2024/25 that were approved by the Audit Committee in February 2024.

Good progress has been made to date on the audit plan with work completed across a number of services and numerous pieces of work in progress. Focus over the next few months would be on the follow-up work from 2023/24 and an update to the Committee in February 2025.

* 137

Counter Fraud Update

The Committee noted the Report of the Director of Finance and Public Value (DFP/24/88), which set out the Counter Fraud work being undertaken on behalf of and by the Council for the financial year 2024/25 to date and supported the Council's ongoing commitment as outlined in its Anti-Fraud Bribery and Corruption Policy/Strategy and Response Plan.

The Report informed 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.

* 138

Risk Management Update

The Committee reviewed the Report of the Director of Finance and Public Value (DFP/24/87), which set out the most recent risk position of the Council for 2024/25, updates on developing risk areas and confirmed the role of the

Audit Committee as per the Council's Risk Management Policy. It further explored and summarised the existing risk position.

* **139** **CIPFA - Independent Audit Committee Member**

The Head of Devon Assurance Partnership reported that the proposed Independent Member was no longer available and therefore another candidate would be sourced.

* **140** **Section 106 Aged Debt**

The Committee noted the Joint Report of the Director of Finance and Public Value and Director of Legal & Democratic Services (DFP/24/103), which provided an update on the aged debt position for S106 debts (and similar planning contributions), as requested at the June Committee meeting.

Currently, S106 owed to the authority for more than 90 days, and therefore classed as aged debt, was just over £1.2 million (excluding late interest charges). Further details would be provided to the Committee under Part II of the meeting.

* **141** **Exclusion of the Press and Public**

RESOLVED that the press and public be excluded from the meeting for the following items of business under Section 100(A)(4) of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Schedule 12A of the Act, namely information relating to, and which was likely to reveal the identity of, or information relating to the financial or business affairs of the County Council 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 outweighed the public interest in disclosing the information.

* **142** **Section 106 Aged Debt**

The Committee noted the contents of the Joint Report of the Director of Finance and Public Value and Director of Legal & Democratic Services (DFP/24/104).

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 2.15 pm and finished at 4.21 pm