

AUDIT COMMITTEE

27 February 2025

Present:-

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

Apologies:-

Councillors M Hartnell

* 152

Minutes

RESOLVED that the Minutes of the meeting held on 27 November 2024 be signed as a correct record

* 153

Items Requiring Urgent Attention

There was no item raised as a matter of urgency.

* 154

Internal Audit Update 2024/25

The Committee reviewed and considered the Report of the Director of Finance and Public Value (DFP/25/22), 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.

Overall, based on work performed during 2024/25 to date and experience from the previous year's audit, the Head of Internal Audit's Opinion was of Reasonable Assurance on the adequacy and effectiveness of the internal control framework within the County Council. The exception was Children and Young People's Futures where the opinion was that of Limited Assurance, based on the higher number of limited reviews in the service.

Discussion points with Members and Officers included:

- The rise in sickness absence in Adult Social Care was questioned and it was confirmed that further investigation was required and the issue brought back to a future meeting.
- The manual process for managing leavers had failed in some cases, requiring further follow-up work to ensure improvements - this would be reviewed at the next committee meeting.
- Questions were raised around the management of Section 106 payments, and it was agreed that this would be reported on at the next committee meeting.

* **155** **Internal Audit Draft Plan 2025/26**

The Committee considered the Report of the Director of Finance and Public Value (DFP/25/20), together with the attached draft Internal Audit Plan for the Council for 2025/26.

The draft Audit Plan included the Very High and High Risks from the Risk Register; High Budget Book Risks (scoring 15 or above); Global Risk Themes; the Proposed Plan based on Global and DCC Risks; and a new area, Reason for exclusion from the Plan.

Discussion points with Members and Officers covered:

- The proposed plan was based on high risk areas, including the Highways maintenance contract that was due to expired in 2027, and the audit team would report annually on the progress and effectiveness of the new contract implementation.
- Discussion around health contributions and the importance of connecting audit and scrutiny functions to support policy changes.
- That the draft plan should include the strategic priorities of the authority, and not just risks; and the need for further engagement with Members prior to final approval in the future.

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

RESOLVED that the adaptive plan for 2025/26 be endorsed.

* **156** **Internal Audit Charter & Strategy 2025/26**

The Committee considered the Report of the Director of Finance and Public Value (DFP/25/21) on the Internal Audit Charter and Strategy 2025/26.

One of the requirements of the Public Sector Internal Audit Standards (PSIAS) was that the purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. The internal audit charter for this financial year was set out in detail in the report together with supporting Audit Strategy.

The report explained that the PSIAS set additional Public Sector requirements where the internal audit charter must also:

- define the terms 'board' and 'senior management' for the purposes of internal audit activity;
- cover the arrangements for appropriate resourcing;
- define the role of internal audit in any fraud-related work; and
- include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.

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

RESOLVED that the Internal Audit Charter and Strategy 2025/26 be endorsed.

* **157** **Risk Management Update**

The Committee reviewed the Report of the Director of Finance and Public Value (DFP/25/24), 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.

The report was aimed at informing Members of areas of Very High Risks to the Council and a viewpoint of some of the High risk areas. As requested by Members, information relating to risk mitigation had been included within the report. The update highlighted the 110 recorded risks, categorised into 3 Very High, 37 High, 42 Medium, and 28 Low risks.

Discussion points with Members and Officers included the risk associated with SEND, the Health and Safety risks to staff and representatives; cyber security risks and the mandatory training for managers; and financial sustainability.

Officers anticipated a further update report at the next meeting.

* **158** **Special Educational Needs & Disabilities (SEND) Update**

The Committee agreed to defer this item to the next meeting and requested that a more suitable Audit report be provided then.

* **159** **Procurement Act**

The Committee noted the Report of the Director of Finance and Public Value (DFP/25/06) detailing the new Procurement Act which took effect on 24 February 2025.

The report stated that the Procurement Act established the legal framework which all public contracting authorities had to work to. The legislation pledged a simpler, more efficient and modern public sector commercial system, aimed at improved transparency, value for money, innovation, social value and contract performance management.

The legislation was wide-ranging and was summarised in the presentation attached to the agenda which introduced headlines around the new regulations that were being applied across the Council's procurement, commissioning and contract management procedures.

Points of discussion included:

- The need for greater Council oversight and scrutiny on spending and relationships with external organisations; and the importance of improved intelligence and monitoring of commissioned services and contracts was highlighted.
- The shift from 'most economically advantageous tender' to 'most advantageous tender' in legislation was explained.
- Integrating the Council's strategic aims into the contracting programme, aligning with government expectations to maximise public good.

* **160** **Exclusion of the Press and Public**

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

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.

[Note: In accordance with Standing Order 32 Councillor Connett requested that his vote against this decision be recorded.]

* **161** **Internal Audit Information Technology Update**

The Committee noted the Report of the Director of Finance and Public Value (DFS/25/23) on Internal Audit Information Technology 2024/25, which provided an update on audit worked performed and associated issues raised.

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 2.00 pm and finished at 4.00 pm