

## **AUDIT AND GOVERNANCE COMMITTEE**

Thursday 26 March 2026

### Present:-

Councillor Tony Wardle (Chair)  
Councillors Moore, Atkinson, Banyard, Holland, Knott, Miller-Boam and Mitchell, M

### Also Present

Strategic Director for Corporate Resources, Strategic Director of Operations, Head of Legal and Democratic Services & Monitoring Officer, Head of Service - Environment and Waste, Head of Service - HR, Workforce Planning and Organisational Development, Procurement Manager and Democratic Services Officer.

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### **APOLOGIES**

Apologies were received from Councillors Palmer and M Williams, and from the Chief Executive.

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### **MINUTES**

The minutes of the meeting held on 11 February 2026 were taken as read, approved, and signed by the Chair as correct.

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### **DECLARATION OF INTERESTS**

No declarations of disclosable pecuniary interests were made.

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### **JCNC TERMS OF REFERENCE**

The Chair advised Members that this item would be heard first.

The Head of Service – HR, Workforce Planning and Organisational Development presented the report, making the following points:

- the Joint Consultative and Negotiation Committee (JCNC) terms of reference were agreed last year, but needed to be approved again following the addition of the quorum;
- meetings would be quorate with three members, two from the Council, and one trade union representative; and
- all three trade unions, Unison, GMB, and UNITE, were invited to attend all meetings, but attendance was not always proportional.

In response to questions from Members, the Head of Service – HR, Workforce Planning and Organisational Development provided the following answers:

- three had been chosen as the quorum as they did not want meetings to be cancelled or postponed due to non-attendance from the unions;
- all unions received the meeting documents beforehand, and were able to decide if they wished to attend;
- she would take away Councillor Mitchell's concern regarding smaller unions being able to make decisions; and
- these changes had been approved through JCNC, and the other unions had had a chance to provide their views.

The Chair moved, and Councillor Moore seconded the recommendations and following a unanimous vote the recommendations were CARRIED.

**RESOLVED** that the Audit and Governance Committee recommends that Council approve the additional amendment to the Council's Constitution terms of reference for the Joint Consultation and Negotiation Committee, specifically the insertion of Section 4 on quorum.

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### **QUARTERLY WAIVERS REPORT Q3**

The Procurement Manager presented the Quarterly Waivers report, making the following points:

- the aim of this report was to keep the committee up to date and allow questions to be asked;
- there was quite often a good reason behind the use of a waiver;
- increases in the numbers of breaches followed a tightening of the rules;
- previous breaches had been included as they fell into this reporting period; and
- the housing breaches were being looked at, and the Housing and Procurement Teams were working together to remedy the breaches.

In response to questions from Members, the Procurement Manager and the Strategic Director – Operations provided the following answers:

- the housing breaches were long standing;
- Some accommodation provision is exempt from procurement legislation, but not where there are wrap around support services required in addition.
- work to address the breaches was aligned with a restructure within the housing team, and the launch of a procurement exercise had been timetabled for April 26;
- short term bridging contracts would be considered if procurement could not be completed in time;
- TUPE is considered as necessary;
- gas compliance had been identified as a reputational risk in a third-party audit but was being addressed; and
- comments on the format of the report had been noted and would be taken away.

The Audit and Governance Committee noted the Quarterly Waivers report.

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### **INTERNAL AUDIT PROGRESS REPORT**

The Assistant Director (SWAP) presented the Internal Audit Progress Report making the following points:

- 43% of the audit plan had been completed and work would continue in April and May to address the rest;
- one limited assurance had been raised;
- there were 77 actions, which had reduced from 96 in February;
- six actions were overdue, which had reduced from 30;
- 73 actions had been completed and closed, with more self-assessed by services as complete; and
- there had been eight additions to plans, and nine deferrals.

In response to questions from Members, Assistant Director (SWAP) provided the following answers:

- every audit had an objective and that was what an opinion was given on;

- priority one (P1) were the most significant issues. Priority two (P2) were dependent on the number, but if there were several, it would be likely to be a limited assurance as it could not meet the audit objective;
- Members could be assured that work was happening by looking at a whole service; and
- there had been an update on s106 and CIL and she was satisfied that work was being undertaken, and this would eventually need approval from Members.

The Audit and Governance Committee noted the Internal Audit Progress Report.

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### **LIMITED ASSURANCE REPORT**

The Strategic Director – Corporate Resources presented the Limited Assurance report and highlight that there had been one limited assurance, Emergency Planning, and the findings and the action plan were set out in detail in the report.

The Head of Service – Environment and Waste gave context to the report, making the following points:

- a training programme was being undertaken;
- several senior staff members now had experience with emergency planning;
- Exeter City Council were part of Devon Emergency Planning Partnership (DEPP);
- training was taking place, but was not in its final form; and
- he wanted to reassure Members that Exeter had a good track record of dealing with incidents in the City.

In response to questions from Members, the Strategic Director – Operations, and the Head of Service – Environment and Waste provided the following answers:

- the Devon Emergency Planning Partnership consisted of all district councils in Devon, and Devon County Council;
- there was effectively one document that all parties had access to;
- officers were able to be contacted out of hours when necessary;
- Members had played a big role during the Royal Clarence Hotel fire, freeing up blue light services by manning cordons;
- every Head of Service and Director was on an on-call rota;
- knowledge was being cascaded from the designated officer to other officers with different roles and responsibilities;
- current planned training was aimed at Heads of Service;
- the city centre evacuation plan was devised following the incident at Giraffe Café in 2008;
- the city centre evacuation plan did require other organisations to be part of it;
- testing would most likely be a desk top scenario;
- there was lots of ambiguity surrounding Martyn’s Law and it applied primarily to premises; and
- clarity of Martyn’s Law would come when the statutory guidance was issued.

The Audit and Governance Committee noted the Limited Assurance Report.

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### **INTERNAL AUDIT PLAN FOR 2026/27**

The Assistant Director (SWAP) presented the Internal Audit Progress report making the following points:

- the aim was to produce a risk-based plan to inform the annual audit opinion;

- Local Government Reorganisation (LGR) needed to be considered;
- the indicative plan for 27/28 would come for formal approval in March 2027;
- consideration of LGR meant there were areas that reflected LGR risks;
- the Councils strategic risks had be mapped; and
- this included the Charter and the Mandate, which was basically identical to last year.

The Assistant Director (SWAP) responded to questions from Members in the following terms:

- this was a flexible plan, so newly emerging risks could and would be reviewed;
- the objectives were high level at the moment and were not set;
- 'consultants' in appendix b did not include temporary staff;
- she would discuss and assess the risks of using AI with the Planning Team; and
- an audit of the leisure service would be programmed early in 2027.

The Audit and Governance Committee noted the report.

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### **CODE OF CORPORATE GOVERNANCE**

The Strategic Director – Corporate Resources presented the Code of Corporate Governance, making the following points:

- this was the annual Code of Corporate Governance; the annual governance statement would be brought to committee in July;
- there were no significant changes; and
- the section on the role of scrutiny had been amended to better represent what took place at Exeter.

The Strategic Director – Corporate Resource responded to questions from Members in the following terms:

- he was happy to change the wording for the role of scrutiny as requested by the Committee;
- appointments to Council connected organisations came under appointments to outside bodies;
- the Statement of Accounts had to follow set standards, for these purposes' Council connected organisations were separate legal entities to the Council; and
- Exeter Canal and Quay Trust were treated as an outside body, but he was happy to provide clarification.

Councillor Moore wanted it noted that she was concerned regarding the position of Exeter Canal and Quay Trust, and that she had raised this issue before. She felt there was a conflict between governance and charity legislation, and this remained unresolved.

The Chair moved, and Councillor Moore seconded the recommendations and following a unanimous vote the recommendations were CARRIED.

**RESOLVED** that the Audit and Governance Committee recommends that Council approve the Code of Corporate Governance for 2026/27.

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### **REVIEW OF CORPORATE GOVERNANCE RISK REGISTER**

The Strategic Director – Corporate Resources presented the Corporate Governance Risk Register highlighting the following key points:

- Council had adopted the new corporate plan last year, and there had been lots of work with Members to embed it;
- this update included a summary, heat map, and a trend analysis;
- a Local Government Reorganisation Programme Director had been appointed, and she would ensure the necessary work would be carried out; and
- LGR was a substantial piece of work regardless of the outcome and it needed to be properly reflected in the risk register.

In response to questions from Members, the Strategic Director – Corporate Resources provided the following answers:

- the risk point was highest when requesting money, and this decreased when approaching February;
- the funding level was known, and a balanced budget had been delivered but there was still work to be done for the coming year;
- the highest point was in June 2025 when the government were resetting the business rates and the impact of that was unknown;
- the Operational Management Board had done great work with the Finance Team; and
- a separate risk register would be produced for LGR.

The Chair moved, and Councillor Miller-Boam seconded the recommendations and following a unanimous vote the recommendations were CARRIED.

**RESOLVED** that the Audit and Governance Committee review the progress that had been made in reviewing and updating the Corporate Risk Register.

#### 111 **APPOINTMENT OF THE COUNCIL'S TWO INDEPENDENT PERSONS**

The Strategic Director – Corporate Resources presented the report, explaining that the role of the Independent Persons was to support the Monitoring Officer in investigating complaints against Members, and noting that although the appointments had been approved by Council in February, the matter was being brought to the Audit and Governance Committee because the Independent Persons reported to this Committee.

The Monitoring Officer advised Members that the interview panel for the appointment of the Independent Persons consisted of the Monitoring Officer and the Democratic Services Manager.

The Audit and Governance Committee noted the Appointment of the Council's two Independent Persons.

#### 112 **UPDATE ON THE USE OF INVESTIGATORY POWERS AND THE REGULATION OF INVESTIGATORY POWERS ACT 2000 JOINT POLICY AND PROCEDURE**

The Monitoring Officer presented the update on the use of investigatory powers, making the following points:

- this was an annual report;
- covert surveillance and covert human intelligence were covered by these powers;
- the Council had not used their powers of surveillance; and
- the decision to use these powers was not a matter for individual council officers as it had to be authorised by the Magistrates' Court.

The Monitoring Officer and the Head of Service – Environment and Waste responded to questions from Members in the following terms:

- noise recording by the Environment Agency was not a form of covert surveillance;
- covert surveillance was not the starting point of an investigation; and
- the Audit and Governance Committee would be informed if these powers had been used.

The Audit and Governance Committee noted this update.

(The meeting commenced at 5.30 pm and closed at 7.13 pm)

Chair