

## **AUDIT AND GOVERNANCE COMMITTEE**

Wednesday 25 September 2024

### **Present:-**

Councillor Wardle (Chair)

Councillors Jobson, Atkinson, Begley, Ketchin, Knott, Moore and Palmer

### **Also Present**

Strategic Director for Corporate Resources, Strategic Director for Place, Head of Service - Finance, Manager, SWAP Internal Audit Services, Audit Manager (DAJ), Net Zero Project Manager and Democratic Services Officer (LS)

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### **APOLOGIES**

Apologies were received from Councillors Mitchell and Williams, M.

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### **MINUTES**

The minutes of the meeting held 24 July 2024 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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### **CORPORATE NET ZERO RISK REGISTER**

The Net Zero Project Manager presented the Corporate Net Zero Risk Register Report making the following points:-

- that a costed organisational review was underway;
- a report would be presented to Strategic Scrutiny in December;
- a representative from the Exeter University would present to Strategic Scrutiny on the Descent Report;
- that there were constraints in the City for grid connects as a result of works needed at the Matford Bulk Supply Point which was estimated to last 3-4 years and may restrict the ability to deliver decarbonisation projects;
- new procurement rules implemented in May require carbon footprint data from all contracts over £25,000, together with more stringent environmental standards for contracts over £100,000;
- funding projects were constrained by the scope of grants and borrowing costs; and
- that collaboration with Devon County Council and the Climate Emergency Tactical Group continued to ensure alignment.

The Net Zero Project Manager and Strategic Director for Corporate Services answered Members' questions making the following points:

- that PSDS funding was flagged on the risk register;
- that the scope of grants was not always helpful where large infrastructure was concerned;
- that they would look to give a detailed response to tree query outside the meeting;
- that a Member could email regarding assumptions in the risk register, to receive a response;

- that under 2.2 information about what had been done and next steps could be provided; and
- that this was a service risk register for net zero which gave more detail than the Corporate Risk Register.

The Audit & Governance Committee noted the Corporate Net Zero Risk Register.

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### **INTERNAL AUDIT PROGRESS REPORT QUARTER 1 INCLUDING AUDIT PLAN**

The Assistant Director, SWAP Internal Audit Services presented the Internal Audit Progress Report for Quarter 1 including the Audit Plan making the following points:-

- that 2023/24 was substantially complete;
- that 2024/25 there were 6 review in progress;
- that new Strategic Management Board were familiarising with audit and amendments would be reported to Audit and Governance Committee in future; and
- that whilst there was limited assurance on Sundry Debtors action plans were in place.

In response a Members question, the Assistant Director, SWAP explained that some of the work had not yet begun and placeholders could be seen on page 24.

One Member expressed disappointment that the audit was almost complete as their ward was predominantly affected and would have liked to be involved. The Assistant Director agreed to consider what had been said.

The Assistant Director agreed to follow up on a question regarding how NCIL was allocated and what community consultation in respect of its use was carried out.

The Audit and Governance Committee noted the Internal Audit Progress Report for Quarter 1 Including Audit Plan.

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### **EXTERNAL AUDIT PLAN 2023/24**

The Council's External Auditor presented the report on the External Audit Plan for the year 2023-24 drawing attention to:

- the context of the report;
- material entries as a result of Exeter City Living;
- Value for Money including governance, financial control and partnerships;
- change of Audit Manager bringing further oversight to the audit; and
- back-stop would mean that any audits now signed by December 2024 would be disclaimed.

The Audit Manager, Strategic Director for Corporate Resources and Head of Service - Finance answered Members' questions making the following points:

- that he understood that letters were being drafted regarding 2021/22 audit;
- that 2022/23 were expected to be signed off before the back-stop;
- the value of the Guildhall Shopping Centre would go to Grant Thornton partner panel as there was disagreement however no impact on the tax payer;
- the Estates team were carrying out a valuation;
- that Exeter Quay and Canal Trust was a charity therefore independently audit not through Grant Thornton;

- that it would be a management decision whether the Policy came back to committee; and
- that the Council held influence within Exeter Quay and Canal Trust but no interest in the equity.

Councillor Moore stated that she was one of the complainants.

The Audit & Governance Committee noted the report of the External Auditor.

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

The Strategic Director for Corporate Resources presented the report which advised the Audit and Governance Committee of the Council's risk management process and presented the updated Corporate Risk Register which has been linked to the Council's Strategic Priorities. In presenting the report the Strategic Director for Corporate Resources made the following points:-

- that a number of officers who supported Portfolio Holders had changed;
- as a result there would be updates following review of the register; and
- that he hoped the register was now more readable as changes had been made.

In response to questions from Members, the Strategic Director for Corporate Resources and Strategic Director for Place responded:-

- that no formal response had been received from Sport England as yet;
- that a strategy had been drafted and would likely be considered in October;
- that the Council invests significantly in the Culture offer
- that the City Wall would lie within Maintaining property and Infrastructure;
- that there were a lot of historically important buildings and infrastructure which would be overwhelming were all to be represented in detail within the register; and
- that a Property Assets service plan would identify those buildings.

The Strategic Director of Corporate Resources agreed to raise with the Executive the following points made by Members:-

- that Progressing the design & delivery of a Corporate Customer and Digital Strategy, actions were all internally facing; and
- query whether anti-fraud in the Planning process was included; and

The Strategic Director of Corporate Resources agreed to raise with the Strategic Director for People whether the NCIL amount reflects the 25%.

The Acting Monitoring Officer and Strategic Director of Corporate Resources explained that the process for adding items to the agenda would be reviewed and that the Audit and Governance Committee could recommend that the Executive approve the risk register.

The Chair moved and Councillor Atkinson seconded that the Audit and Governance Committee considers the council's Corporate Risk Register and recommends its approval to Executive; and notes the revised Corporate Risk Policy which has been approved and following a vote was CARRIED.

(The meeting commenced at 5.30 pm and closed at 6.37 pm)

Chair