

AUDIT AND GOVERNANCE COMMITTEE

Wednesday 24 July 2024

Present:-

Councillor Wardle (Chair)

Councillors Jobson, Begley, Ketchin, Knott, Miller-Boam, Mitchell, M, Palmer, Patrick and Williams, M

Apologies

Councillors Atkinson and Moore

Also Present

Chief Executive, Service Lead, Legal Services & Interim Monitoring Officer, Head of Service, Finance, SWAP Internal Audit Services and Democratic Services Officer(LS).

14

Apologies

Apologies were received from Councillors Atkinson and Moore.

15

Minutes

The minutes of the meeting held on 6 March 2024 were taken as read, approved and signed by the Chair as correct.

16

Declaration of Interests

No declarations of disclosable pecuniary interests were made.

17

External Audit Progress Report

The Audit Manager of Grant Thornton presented the progress report which provided Members with updates on progress in delivering Grant Thornton's responsibilities as the Council's external auditors.

Members were advised of the current position for 2020-21, 2021-22 and 2022-23 which had two objections to resolve before being signed. Members' attention was drawn to page ten.

In response to Members' questions the Audit Manager, Chief Executive and Deputy Chief Finance Officer made the following points:

- there was no indication that 2020-21, 2021-22 and 2022-23 would not be signed off;
- the recent change of Government may have an effect;
- audit procurement had followed due process and Grant Thornton were appointed until 2026 as the Council opted into the Government's national scheme for appointing auditors via Public Sector Audit Appointments Ltd; and

- appropriate procurement procedures were followed across the Council.

RESOLVED that the Audit and Governance Committee note the External Audit Progress Report.

18

Informing the Audit Risk Assessment 2023/24

The Deputy Chief Finance Officer presented Informing the Audit Risk Assessment 2023/24, which is a key questionnaire for Grant Thornton in planning the audit of the 2023/24 annual accounts. The most significant key event that had a significant impact on the financial statements related to the Council's decision to reduce the capacity of Exeter City Living Ltd, which was disclosed in the questionnaire.

RESOLVED that the Audit and Governance Committee note the responses given in the Informing the Risk Assessment Questionnaire.

19

Annual Governance Statement 2023/24

The Deputy Chief Finance Officer presented the report of the Annual Governance Statement 2023/24 and made the following points:

- the statutory deadline for publication of the Annual Governance Statement was 31 May 2024;
- the Annual Governance Statement 2023/24 had been published;
- the main change was in format, which better complied with accessibility standards;
- the key issues reported included the significant work required now to deliver a balanced budget in 2025/26; and
- the Annual Governance Statement reflected the senior management restructure and the need to maintain a strong internal control environment.

RESOLVED that the Audit and Governance Committee supports the Annual Governance Statement be included within the Council's Annual Statement of Accounts 2023/24.

20

Code of Corporate Governance 2024/25

The Deputy Chief Finance Officer presented the report of the Code of Corporate Governance 2024/25 which was a repeat of the Annual Governance Statement omitting the Key Issues.

RESOLVED that the Audit and Governance Committee support the Code of Corporate Governance 2024/25.

21

Annual Internal Audit Report

The Assistant Director, SWAP Internal Audit Services presented the Annual Internal Audit Report and made the following points:-

- there had been a change in internal auditor;
- the majority of the work had been completed when the team were internal;
- there had been a smooth transition for existing staff;
- there were good working relationships;
- weaknesses have had remedial action taken;

- Strata was not included; and
- there were three items given limited assurance.

In response to Members' questions, the Assistant Director SWAP, Chief Executive and Deputy Chief Finance Officer made the following points:-

- all limited assurance would be followed up;
- mitigating action had already been taken by the Service Leads;
- each Service had an action plan;
- SWAP would consider benchmarking against other authorities;
- One Exeter would identify cross-cutting themes and aim to apply standards across the organisation;
- utilising system controls to prevent budget overspends was discussed but there was no advantage identified; and
- robust controls were in place to ensure balanced budgets on individual projects.

RESOLVED that the Audit and Governance Committee noted the Annual Internal Audit Report.

22

Review of Corporate Governance Risk Register

The Chair noted that Appendix A to the Corporate Risk Register had not been published with the agenda but felt this item should be considered as a matter of urgency. There were no objections to this.

The Chief Executive presented the report which advised the Audit and Governance Committee of the Council's risk management progress and presented the revised Corporate Risk Register, which has been linked to the Council's Strategic Priorities as identified in the Council's Corporate Plan.

The Chief Executive made the following points:

- the Corporate Risk Register addressed the strategic risks for the council; each service plan had an associated risk register and this approach was being standardised across the council;
- risk 3 implementation date should read 'Jan-24';
- it was the responsibility of this committee to ensure that the Council had an appropriate risk management system in place;
- Exeter City Council had appropriately identified risks with the correct methodology; and
- the Strategic Management Board reviewed the Risk Register quarterly.

In response to questions from Members, the Chief Executive responded that:

- the register was based on corporate plan priorities;
- it was not the responsibility of officers to prioritise the council's strategic priorities - that was the role of Members;
- greater clarity could be given on timescales for remedial action;
- each service area should have an action plan identifying resource need to mitigate identified risk. Any resources required to mitigate corporate risks would be discussed with the appropriate portfolio holder and a request for resources submitted to Council via the normal process;
- the risk register was a self-assessment by officers and members rather than an independent exercise; which of course external and internal audit was;
- Individual staff's Performance & Development Reviews (PDRs) were aligned to departmental and corporate plans;

- Portfolio Holders work with their Strategic Directors to track priorities and monitor risk registers; and
- Officers would look to reflect, in the Risk Register, issues that are within or outside the Council's control.

Councillor Mitchell moved to recommend to Executive that the risk register show prioritisation; however, after discussion and advice from the Monitoring Officer, Councillor Mitchell withdrew the motion.

RESOLVED that the Audit and Governance Committee reviewed and noted the updated Corporate Risk Register.

(The meeting commenced at 5.30 pm and closed at 6.42 pm)

Chair