

Minutes of a Meeting of the Audit & Governance Committee held in the Council Chamber at Knowle, Sidmouth on 21 September 2017

Attendance list at end of document

The meeting started at 2.30pm and ended at 3.50pm.

***16 Chairman's welcome**

The Chairman welcomed everyone to the meeting.

***17 Public Speaking**

There were no members of the public present.

***18 Minutes**

The minutes of the Audit and Governance Committee meeting held on 29 June 2017 were confirmed and signed as a true record.

***19 Internal Audit Activity - Quarter 2 2017/18**

David Hill, Executive Director from SWAP provided an update on the 2017/18 Internal Audit Plan (Quarter 2). Internal Audit provided an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work included:

- Operational Audit Reviews
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grants
- Other Special or Unplanned Review

SWAP were pleased to report that there had been no 'Partial Assurance Opinion' audits or significant corporate risks identified in this quarter.

RESOLVED:

that the Internal Audit report be approved.

***20 External Audit Report 2016/17**

Rob Andrews, Manager from KPMG summarised the key findings in relation to the 2016-17 external audit. The report focused on the on-site work which was completed in February 2017 and July 2017 on the Authority's significant risk areas, as well as other areas of financial statements. KPMG had issued an unqualified audit opinion on the authority's financial statement. No audit adjustments had been identified.

KPMG concluded that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The auditor therefore issued an unqualified value for money opinion. Members asked questions around improvements to the S106 process for which KPMG had offered a reassurance and also cash in transit.

The Chairman wished to thank KPMG colleagues for their report.

RESOLVED:

that the report be noted.

***21 Statement of Accounts 2016/17 including Governance Statement**

The Financial Services Manager presented Statement of Accounts for 2016/17. The Auditors were anticipating issuing an unqualified audit opinion once the Accounts had been approved by the Audit & Governance Committee.

The report compared the final position on the Council's Accounts compared with the position presented to members at Outturn stage. No amendments had been made which affect the Council's reported financial position given in the Outturn Report in June 2017. Members discussed issues around the Pension Scheme and the impact upon it due to increases in life expectancy. The possibility of inviting a senior Pension Scheme Actuary to a future meeting was discussed. The Strategic Lead, Finance report clarified the volatility funds built into the accounts. Councillor John Dyson highlighted a number of typographical errors in the Statement of Accounts which were noted by the Financial Services Manager. He also asked a question on the reason for the substantial increase in S106 contributions in 2016/17 from 2015/16. It was confirmed that the next Statement of Accounts would come to the June 2018 meeting.

Governance Statement

The Accounts & Audit (England) Regulations 2015 required the Council to prepare and publish an annual governance statement. This was a public document that reported on the extent to which the council complied with its own code of corporate governance. The Annual Governance Statement explained how the council makes decisions; managed its resources in line with the council's priorities; and achieved the required outcomes for service users and communities.

The Chairman thanked the Strategic Lead, Finance, Financial Services Manager and all their colleagues for producing the accounts.

RESOLVED:

that the 2016/17 Statement of Accounts including the Governance Statement be approved.

***22 Letter of Representation**

Members were asked to note the letter to KPMG in respect of the audit of the Financial Statements for the year ended 31 March 2017 confirming the council's position, documents produced and the sound processes in place.

RESOLVED:

that the letter be noted.

***23 Expenditure on consultants and agency staff 2016/17**

As requested by the Committee Members, the report detailed capital and revenue spend on consultants and specialist advice and agency staff for 2016/17.

RESOLVED:

that the details of expenditure on consultants and agency staff in 2016/17 be noted.

***24 RIPA Policy**

The Strategic Lead Governance & Licensing presented the strategic oversight of the council's RIPA function through an annual report and sought adoption of the revised Policy. In response to a question on how the RIPA function maybe used the Strategic Lead Governance & Licensing reported that in maybe used for fly tipping and licensing

in cases of underage sales of alcohol. He also confirmed that its application was an office only function.

RESOLVED:

1. that the content of the report including the annual report for 2015/16 and 2016/17 be noted, and
2. that the revised RIPA Policy contained at Appendix A approve and adopted.

25 Committee membership numbers

To make a recommendation to Council to increase the membership of the Audit and Governance Committee by an additional 2 members from 8 Councillors to 10.

RECOMMENDED:

The Committee recommend to Council that;

1. the membership of the Audit and Governance Committee be increased from 8 councillors to 10, and
2. that the Council's constitution was amended to reflect this change along with an increase in the quorum from 2 to 3, and
3. that Council to appoint the 2 additional members comprising 1 Conservative and 1 Independent.

***26 Audit and Governance Forward Plan**

Members noted the contents of the Committee Forward Plan for 2017/18.

Items to be considered at the November committee included:

- Annual audit letter
- Risk management review – half year review
- Future of External Audit
- Partnership Register
- Surveillance Commissioner's Report
- Internal Audit Planning

RESOLVED:

that the Forward Plan be noted.

Attendance list

Councillors:

Mark Williamson (Chairman)
Dean Barrow (Vice Chairman)
John Dyson
Cherry Nicholas
Bill Nash

Apologies:

Paul Diviani
Steve Gazzard
John Humphreys
Ben Ingham

Officers present:

Simon Davey, Strategic Lead – Finance

Laurelie Gifford – Financial Services Manager
Mark Williams – Chief Executive
Henry Gordon Lennox, Strategic Lead – Governance and Licensing (minute *24 only)
Chris Lane, Democratic Services Officer
Darren Gilbert, Director, KPMG
Rob Andrews, Manager, KPMG
David Hill, Executive Director, SWAP
Georgina Teale, Senior Auditor, SWAP

Chairman Date.....