

## **Minutes of a Meeting of the Audit & Governance Committee held in the Council Chamber at Knowle, Sidmouth on 15 March 2018**

### **Attendance list at end of document**

The meeting started at 2.30pm and ended at 3.45pm.

#### **\*47 Chairman's welcome**

The Chairman welcomed everyone to the meeting.

#### **\*48 Public Speaking**

There were no members of the public present.

#### **\*49 Minutes**

The minutes of the Audit and Governance Committee meeting held on 18 January 2018 were confirmed and signed as a true record, subject to minute 31 being amended from 'Rob Andrews' to 'Darren Gilbert', who had attended from KPMG.

#### **\*50 Matters arising**

Members noted that Simon Davey, Strategic Lead – Finance had provided the Chairman with an informative update on the position regarding Capita. Mark Williams, Chief Executive, agreed to circulate the email to all members of the Committee.

#### **\*51 Declarations of Interest**

Councillor Steve Hall declared a personal interest in minute \*52 below as Chairman of the Licensing & Enforcement Committee.

#### **\*52 Annual Audit Plan 2018/19**

As a key element of its Governance arrangements the Council had a partnership arrangement with South West Audit Partnership to deliver an annual internal audit plan. The Executive Director for SWAP, together with the Council's S151 Officer and in consultation with the Senior Management Team had produced an Audit Plan for 2018/19 that required the approval of the Committee.

Members raised an issue regarding the internal audit to be undertaken on right to buy of Council properties and the resulting potential loss and reputational damage due to tenants fraudulently purchasing Council properties at subsidised prices. It was requested that once this audit had been undertaken, the results be presented to the Housing Review Board for their comment.

#### **RESOLVED:**

1. that the Internal Audit Plan of 416 days (including a 40 day carry forward) for April 2018 to March 2019 be agreed;
2. that once completed, the internal audit into Right to Buy Council properties be presented to the Housing Review Board.

#### **\*52 External Audit Plan**

Darren Gilbert from KPMG, presented the External Audit report which provided the Audit Committee with an overview on progress in delivering their responsibilities as the external auditors. The report supplemented the Audit Fee Letter 2017/18 presented to

the Committee in April 2017, which also set out details of KPMG's appointment by Public Sector Audit Appointments Ltd (PSAA). The audit had two key objectives:

1. Financial statements (including the Annual Governance Statement): Providing an opinion on EDDC accounts; and
2. Use of resources: Concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).

Audit planning and risk assessment was an on-going process; the assessment and fees in the Plan would be kept under review and updated if necessary.

Members noted that the audit fees had dropped consistently over the last 3 years and it was questioned whether there was also a drop in the quality of work undertaken. Darren Gilbert reassured members that the work responsibilities of the auditors had not reduced and that the correct level of work was still being undertaken.

The Chairman thanked Darren Gilbert, on behalf of the Committee for his report.

**RESOLVED:**

that that the content of the External Audit Plan be noted.

**\*53 Progress report and Technical update**

Darren Gilbert, Director, KPMG provided the Committee with an overview on progress in delivering their responsibilities as the external auditors.

**RESOLVED:**

that the content of the progress report be noted.

**\*54 Statement of Accounts 2017/18 – Review of Accounting Policies and accelerated timetable**

The Strategic Lead – Finance advised the Committee that it was good practice for the Audit and Governance Committee to approve the Accounting Policies to be adopted in advance of the preparation of the Accounts. The report reminded Members of the accelerated timetable for completion of the 2017/18 Annual Statement of Accounts.

**RESOLVED:**

that the Accounting Policies and the accelerated timetable for the 2017/18 Statement of Accounts be agreed.

**\*55 CIL Methodology update**

Chris Rose, Development Manager advised Members of the systems and processes that had been put in place to enable the collection and spending of monies collected through the Community Infrastructure Fund, as well as the findings of a recent internal audit by SWAP into these systems and processes and the level of assurance achieved.

Members noted the gap between the infrastructure that was needed on the 1-2-3 list and that provided at present by CIL funding; the Government had produced a white paper proposing changes to the way CIL was operated. In response to a question, Chris Rose confirmed that town/parish councils would be provided with an update on the amount of CIL money raised in their area every 6 months.

The Chairman thanked Chris Rose, on behalf of the Committee for his report.

**RESOLVED:**

that the report and audit by SWAP which had given a reasonable level of assurance be noted.

**\*56 RIPA update**

At the meeting of 18th January 2018, Members agreed to receive an update on RIPA activity throughout the year. The RIPA Senior Responsible Officer advised that there had been no requests for RIPA authorisation since the last committee.

**\*57 Audit and Governance Forward Plan**

Members noted the contents of the Committee Forward Plan for 2017/18. Members noted that due to the amount of business, the meeting on 26 July may have to start at 10.30am with a break for lunch.

Items to be considered at the July 2018 committee included:

- ) External Audit Report 2017/18
- ) Statement of Accounts 2017/18 including Governance Statement
- ) Letter of Representation
- ) Review of Internal Audit Charter
- ) Annual Report including Quarter 4
- ) Internal Audit Activity – Quarter 1 2017/18
- ) Audit Committee update
- ) Risk Management Review
- ) RIPA update

**RESOLVED:**

that the Forward Plan be noted.

**Attendance list**

**Councillors:**

Mark Williamson (Chairman)  
Dean Barrow (Vice Chairman)  
John Dyson  
Steve Gazzard  
Steve Hall  
John Humphreys  
Bill Nash  
Cherry Nicholas

Cllr Paul Diviani - Leader  
Cllr Ian Thomas - Portfolio Holder Finance

**Apologies:**

Ben Ingham  
Rob Longhurst

**Officers present:**

Simon Davey, Strategic Lead – Finance  
Mark Williams, Chief Executive  
Ed Freeman, Service Lead - Planning Strategy and Development Management  
Chris Lane, Democratic Services Officer

Darren Gilbert, Director, KPMG  
Moya Moore, Executive Director, SWAP  
Georgina Teale, Senior Auditor, SWAP  
Alastair Woodland, Senior Auditor, SWAP

Chairman ..... Date.....