

Agenda for Audit and Governance Committee

Thursday, 8 January 2015 2.30pm

[Members of the Committee](#)

Venue: Council Chamber, Knowle, Sidmouth, EX10 8HL

[View directions](#)

Contact: [Chris Lane](#), 01395 517544 (or group number 01395 517546): Issued 22 December 2014

- 1 [Public speaking](#)
- 2 Minutes for 20 November 2014 (page 3-7)
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#) – none identified
- 6 To agree any items to be dealt with after the public (including press) have been excluded. There are no items that officers recommend should be dealt with in this way.

Part A Matters for Decision

- 7 **Certification Report 2013/14** - Grant Thornton (pages 8- 16)
- 8 **East Devon Fraud Briefing** – Grant Thornton (pages 17 -29)
- 9 **Internal Audit Plan – Review of 2014/15 Qtr 3** – SWAP (pages 30-43)
- 10 **Office Relocation Project Update** – SWAP (Verbal report)
- 11 **Thelma Hulbert Gallery** – Countryside & Leisure Manager (pages 44-54)
- 12 **Strategic Planning Policy – if required** (Verbal report)
- 13 **Audit and Governance Forward Plan** – Head of Finance (Page 55)

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[Decision making and equalities](#)

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Minutes of a Meeting of the Audit & Governance Committee held at Knowle, Sidmouth on 20 November 2014

Attendance list at end of document

The meeting started at 2.30pm and ended at 5.10pm.

***25 Public Speaking**

There was no public speaking.

***26 Minutes**

The minutes of the Audit and Governance Committee meeting held on 25 September 2014 were confirmed and signed as a true record. Councillor Steve Gazzard wished to thank Simon Davey, Strategic Lead – Finance for sending him an A3 sized copy of the Statement of Accounts 2013/14.

***27 Declarations**

No declarations were stated.

***28 Audit and Governance Committee update**

External auditors, Grant Thornton, presented a report which provided Committee members with progress at 23 October 2014 in delivering their responsibilities as the Council's external auditors.

The paper included details on the following completed work:

- 2013-14 Accounts Audit Plan;
- Interim accounts audit;
- 2013-14 final accounts audit;
- Value for Money (VfM) conclusion;
- 2013-14 Certification work.

Members were delighted that Grant Thornton had issued an unqualified opinion about the Value for Money conclusion.

RESOLVED: that the Audit and Governance update from Grant Thornton be noted.

***29 Annual Audit Letter – Grant Thornton**

Ashley Allen of Grant Thornton presented the annual audit letter for EDDC, which summarised the audit activity undertaken over the last financial year. She was pleased to report that the key messages on the financial statement were that there were

- No material errors were found during the course of their audit in the draft accounts presented for audit;
- The accounts were produced to a good standard; and
- All requests for additional information were dealt with promptly by the finance team

Ms Allen was able to issue an unqualified opinion on the Council's 2013/14 financial statements and VfM conclusion for 2013/14 on 25 September 2014.

Members noted that Grant Thornton's audit fee was £80,375 excluding VAT, which represented a reduction of 2% from the previous year. There were two significant recommendations in the report regarding the Estates Section's areas of responsibility.

One was around the rolling property, plant and equipment programme not meeting the Code's requirement in paragraph 4.1.2.35 to value items within a class of property, plant and equipment simultaneously. The other was met through testing of property, plant and equipment, it was noted that there were five assets that had not been revalued in the last five years.

RESOLVED:

1. that the Annual Audit Letter from Grant Thornton be noted;
2. that the Asset Management Forum be requested to consider the two significant recommendations listed in the report.

***30 Risk Management Review**

Members considered the report of the Management Information Officer on the first full risk review of 2014/15.

Members noted that the EDDC's Risk Management Policy required all risks identified by the Council to be reviewed bi-annually. There were currently 12 Strategic and 109 Operational Risks, each when first identified were considered high or medium level risks which required some form of mitigation through control actions. For the first full review for 2014/15 all risk owners were asked to reassess the overall risk, update their control action/s and re-score the risk to give a residual score in light of the mitigation from the control actions undertaken.

In the full risk register there was one risk which was currently scored as high:

- Loss of supporting people contracts would mean a significant loss of income that part pays for the housing related support service received by EDDC's tenants in sheltered housing – Impact: Serious. Likelihood: Very Likely.

Members raised concerns that 50 risks were attached to the Strategic Lead – Housing, Health & Environment. It was pointed out that in practice these risks would be shared between different teams dealing with these responsibilities. A request was made that the ownership of risk should be allocated to those responsible in the report.

Regarding the Safeguarding Children policy, in response to a question the Management Information Officer reported that the Safeguarding Children policy was a compulsory read for all members of staff. It was considered that, as the policy was so important Councillors should be required to read it as well.

RESOLVED: 1. that the current status of risks following the full risk review undertaken in September/October 2014, be noted;

2. that in future the report be updated to show the ownership of risk allocated to those members of staff actually responsible for the risk.

***31 Office Relocation Project Assurance**

The Audit Manager, South West Audit Partnership (SWAP) provided a verbal report on assurance over the Office relocation project. He reported that he was a member of the Office Accommodation Working Group and was actively involved in overseeing its work.. Andrew Ellins, Audit Manager, SWAP, confirmed that he would continue to give regular reports back to the Committee to give assurance on the Office Relocation project from an internal audit point of view.

The Office Accommodation Working Group met every 4 – 6 weeks and Andrew Ellins, Audit Manager sat on it as an independent observer. He gave advice in terms of best practice and on audit issues. He confirmed that the Office Relocation project had an up to date Risk Register and risks in the project were well managed. The job of the Audit & Governance Committee was to ensure that there was a Risk Register in place and that the project was properly managed. Andrew Ellins, confirmed the probity and accuracy of the reports given so far and that each decision taken had been in line with standing orders.

The Audit Manager, SWAP was thanked for his report. He confirmed that he would make a report on the Office Relocation project at each meeting of the Committee.

***32 Medium Term Financial Plan**

Members received a presentation by the Strategic Lead – Finance on the Medium Term Financial Plan. Members noted that there was an anticipated deficit in 2015/16 of £400K, increasing to £2.8M by 2020/21, which was highlighted as a risk to the Council. However, the Strategic Lead – Finance, updated Members on ways of meeting this deficit by a mixture of income generation and cost saving which officers were currently putting together proposals on for members consideration in the new calendar year.

It was noted that the Waste & Recycling contract was large area of expenditure - the current contract ended in 2016. There was a Waste & Recycling Commissioning Group set up to look at this contract. It was investigating possible cost savings measures, such as switching to four weekly collections, which had been successful and saved money in other local authority areas.

Members of the Committee congratulated Simon Davey, Strategic Lead – Finance and his Finance Team on how well the Council had met its financial deficits so far and the plans in place to meet future anticipated financial deficits. Simon Davey agreed to supply Councillor Steve Gazzard with an A3 copy of his presentation.

33 Housing land supply Update

The Committee considered the report of the Planning Policy Manager, which updated Members of the Committee on ongoing work. It advised of:

- Projected high levels of future housing development;
- Programmed improvements to ICT systems
- Funding for a new housing delivery office post; and
- Future key areas of work.

Richard Cohen, Deputy Chief Executive reported that the Council were working on making the economy function a more robust area of the authority. This would include appointing a new Economic Development Manager and Development Manager. This would also include updating the Council's Economy Plan and a review of the way the Council went about strategic planning and planning policy processes to see if a more corporate approach could be adopted. The suggestion was of a review of process for strategic planning decision making currently undertaken by Development Management Committee. Members of the Committee considered that planning should not just be seen as a regulatory function, but also an enabling one.

During discussion the following points were noted:

- There needs to be a more joined up and holistic approach to economic activity;
- Development in East Devon should be pursued in a sustainable way;
- There should be a review made of the way the Council considers planning matters to see if there could be a more corporate approach;

- It was not clear whether there was currently an oversupply or undersupply of housing in the district, the SHMA findings would help provide clarity on this issue;
- The prospect of the larger planning applications going before other Council bodies rather than or in addition to Development Management would be welcomed;
- Discussion was underway about putting a system into the Council actively supporting and promoting high quality development;
- The Committee wanted to see more control taken of the risk of the Council having no Five Year Land Supply;
- Consideration should be given for a strategic process whereby there would be a Portfolio Holder in place who would report to Cabinet and who would take a lead on strategic planning matters;
- Planners should be encouraged to lead the development process and talk to land owners about where they would like to see development taking place;

RECOMMENDED: that the Deputy Chief Executive be tasked with carrying out a review to achieve the objective of determining strategic planning matters for the Council through Cabinet and a Portfolio Holder being appointed to lead on this role and the Constitution be amended appropriately with effect from the next Annual Council, the aim being to establish a greater understanding and approach to policy matters and reduce the risk to the Council.

***34 Thelma Hulbert Gallery**

The Countryside & Leisure Manager updated the Committee on the current position regarding the Thelma Hulbert Gallery. He reported that the Gallery had just won the Devon Tourism awards for Access & Inclusivity category.

Members noted the progress made since the report to the Cabinet meeting in March and the grants awarded to the Gallery and income generated.. A report would be made to the January meeting of Cabinet on the final position for the Gallery.

During discussions the following points were noted:

- the Committee should review and monitor the progress of the Gallery in financial terms;
- there was competition from the Beehive for space for art displays in Honiton;
- there were social benefits of the Gallery working in the community;
- the Gallery was an expense not warranted by the Council;
- a much lower level of subsidy was given to sport in East Devon when compared with the losses made by the Gallery;
- Elmfield House was too small a building to house a successful Gallery;
- EDDC as a Council had not decided what it wanted to spend on arts and sport and should set aside an amount of money to spend on these areas;
- the issue of getting the best value for the public purse.

- RESOLVED:**
1. that the report be noted;
 2. that it be noted the Committee wish to express no confidence that the Thelma Hulbert Gallery will ever make a profit and therefore is considered to be a waste of public money.

***35 Audit and Governance Forward Plan**

The Committee noted the contents of the Forward Plan for 2014/15, which was updated during the meeting.

Items to be considered at the January Committee included:

- Internal Audit Activity – Quarter 2 2014/15
- Office relocation project update
- Certification Report
- Thelma Hulbert Gallery update
- Risk Management Review
- Five year land supply

RESOLVED: that the updated Forward Plan be noted.

Attendance list

Present:

Councillors

Ken Potter (Chairman)

Peter Bowden (Vice Chairman)

Roger Boote

Bob Buxton

Steve Gazzard

Steve Hall

Tony Howard

Geoff Pook

Also Present:

David Cox

Ian Thomas

Officers:

Chris Lane, Democratic Services Officer

Simon Davey, Head of Finance

Charlie Plowden, Countryside & Leisure Manager

Richard Cohen, Deputy Chief Executive

Matt Dickins, Policy Manager

Joanne Avery, Management Information Officer

Andrew Ellins, Audit Manager, South West Audit Partnership (SWAP)

Ashley Allen, Senior Audit Manager, Grant Thornton

Chairman Date.....



Certification report 2013/14 for East Devon District Council

Year ended 31 March 2014

12 December 2014

Barrie Morris

Director

T 0117 305 7708

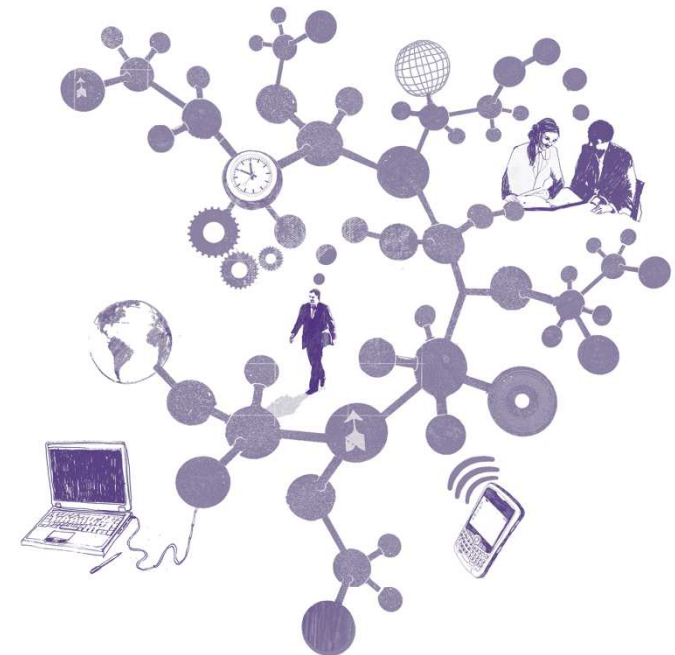
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Manager

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Contents

Section	Page
1. Summary of findings	4

Appendix

A Details of claims and returns certified for 2013/14	7
B Fees	8

Section 1: Summary of findings

01. Summary of findings

Summary of findings

Introduction

We are required to certify certain claims and returns submitted by East Devon District Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

We have certified two claims and returns for the financial year 2013/14 relating to expenditure of £33.4 million.

This report summarises our overall assessment of the Council's management arrangements in respect of the certification process and draws attention to significant matters in relation to individual claims.

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Our approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform were set out in our Certification Plan issued to the Council in September 2014.

Key messages

A summary of all claims and returns subject to certification is provided at Appendix A. The key messages from our certification work are summarised in the table below and set out in detail in the next section of the report.

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	Both claims/returns were submitted and certified by the required deadlines.	● Green
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	None of the claims/returns required amending prior to certification and no qualifications were made. Full details can be found in Appendix A.	● Green
Supporting working papers	Working papers were in place to support the entries on the claims/returns and requests for additional information were dealt with promptly.	● Green

Certification fees

The indicative certification fee set by the Audit Commission for 2013/14 for East Devon District Council are based on final 2011/12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification (such as the national non-domestic rates return) have been removed. The fee for certification of housing benefit subsidy claims was reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme. This is set out in more detail in Appendix B.

Acknowledgements

We would like to take this opportunity to thank the Council officers for their assistance and co-operation during the course of the certification process.

**Grant Thornton UK LLP
December 2014**

Appendix

Appendix A: Details of claims and returns certified for 2013/14

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits scheme claim	£31,531,321	No	Not applicable	No	No issues were identified in the testing of this claim
Pooling of housing receipts return	£ 1,833,152	No	Not applicable	No	No issues were identified in the testing of this return

Appendix B: Fees

Claim or return	2012/13 fee (£)	2013/14 indicative fee (£)	2013/14 actual fee (£)	Variance year on year (£)	Explanation for significant variances
Housing benefits scheme claim	12,280	11,628	11,628	(652)	Reduction due to removal of council tax benefits scheme as part of the claim.
Pooling of housing receipts return	1,650	986	986	(664)	In 2012/13, we undertook Part A and B testing. In 2013/14, only Part A testing was necessary.
National non-domestic rates return	782	0	0	(782)	No longer required to certify return.
Total	14,712	12,614	12,614	(2,098)	



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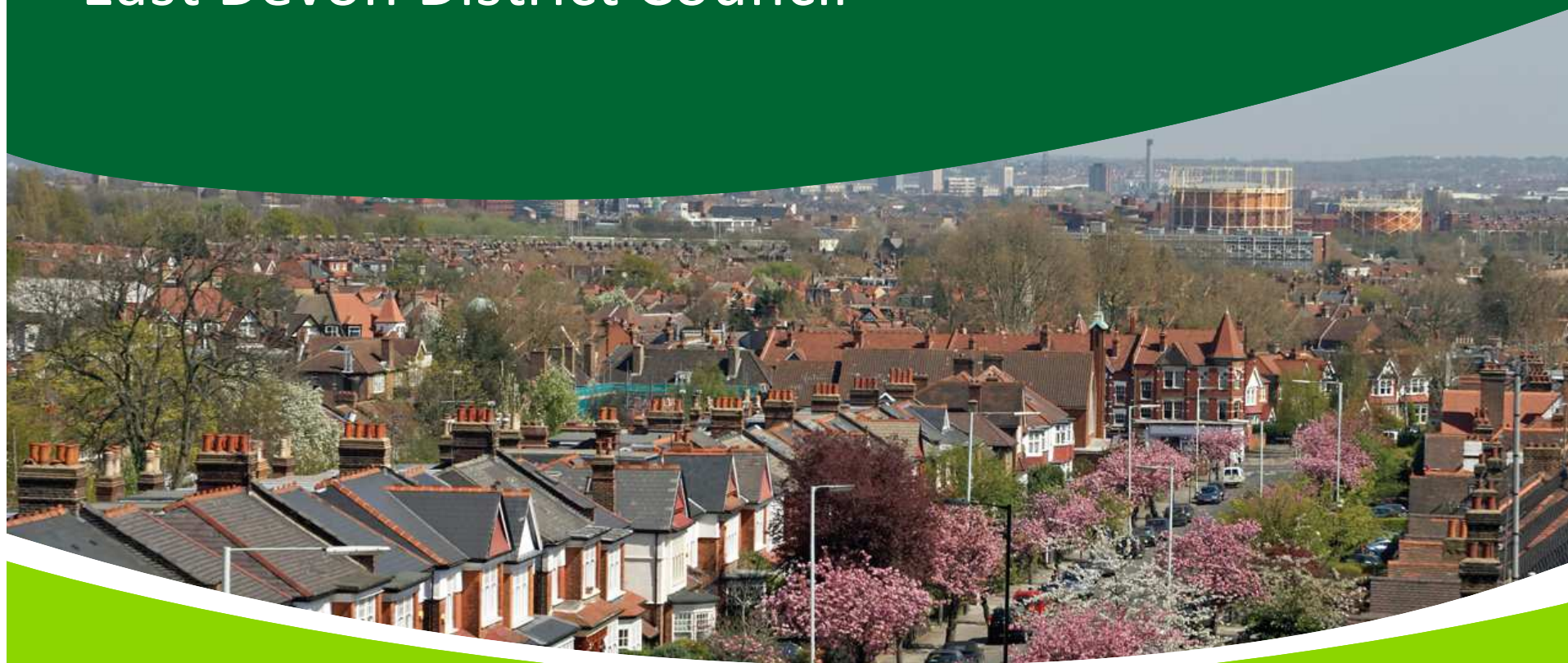
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Protecting the Public Purse Fraud Briefing 2014

East Devon District Council



Purpose of Fraud Briefing



Provide an information source to support councillors in considering their council's fraud detection activities



Extend an opportunity for councillors to consider fraud detection performance, compared to similar local authorities



Give focus to discussing local and national fraud risks, reflect on local priorities and the proportionate responses needed



Be a catalyst for reviewing the council's current strategy, resources and capability for tackling fraud

Understanding the bar charts

Outcomes for the first measure for your council are highlighted in yellow in the bar charts. The results of your comparator authorities are shown in the green bars.



Outcomes for the second measure for your council are highlighted as a green symbols above each bar. The results of your comparator authorities are shown in the white triangles.



A '*' symbol has been used on the horizontal axis to indicate your council.

All data are drawn from council submissions on the Audit Commission's annual fraud and corruption survey for the financial year 2013/14.

In some cases, council report they have detected fraud and do not report the number of cases and/or the value. For the purposes of this fraud briefing these 'Not Recorded' records are shown as Nil.

Comparator group

Arun
Chichester
Christchurch
East Devon
East Dorset
Exeter
Lewes
Mid Devon
New Forest
North Devon
North Norfolk
Purbeck
Rother
South Hams
South Lakeland
Teignbridge
Tendring
Torridge
Wealden
West Devon
West Dorset

Interpreting fraud detection results



Contextual and comparative information needed to interpret results



Detected fraud is indicative, not definitive, of counter fraud performance (*Prevention and deterrence should not be overlooked*)



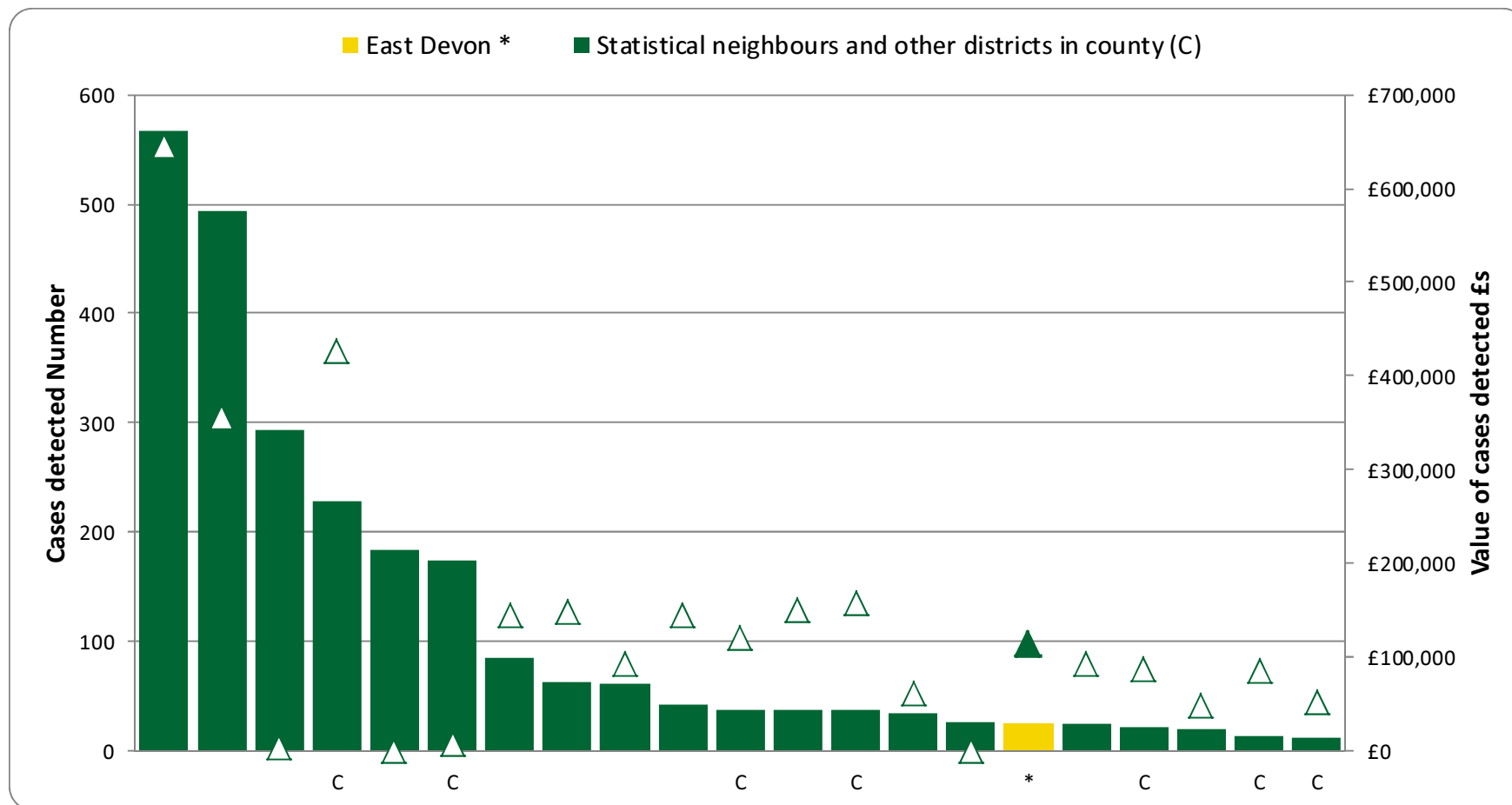
No fraud detected does not mean no fraud committed (*Fraud will always be attempted and even with the best prevention measures some will succeed*)



Councils who look for fraud, and look in the right way, will find fraud (*There is no such thing as a small fraud, just a fraud that has been detected early*)

Total detected cases and value 2013/14 (Excludes Housing tenancy fraud)

East Devon



East Devon detected 25 cases of fraud. The value of detected fraud was £113,932.

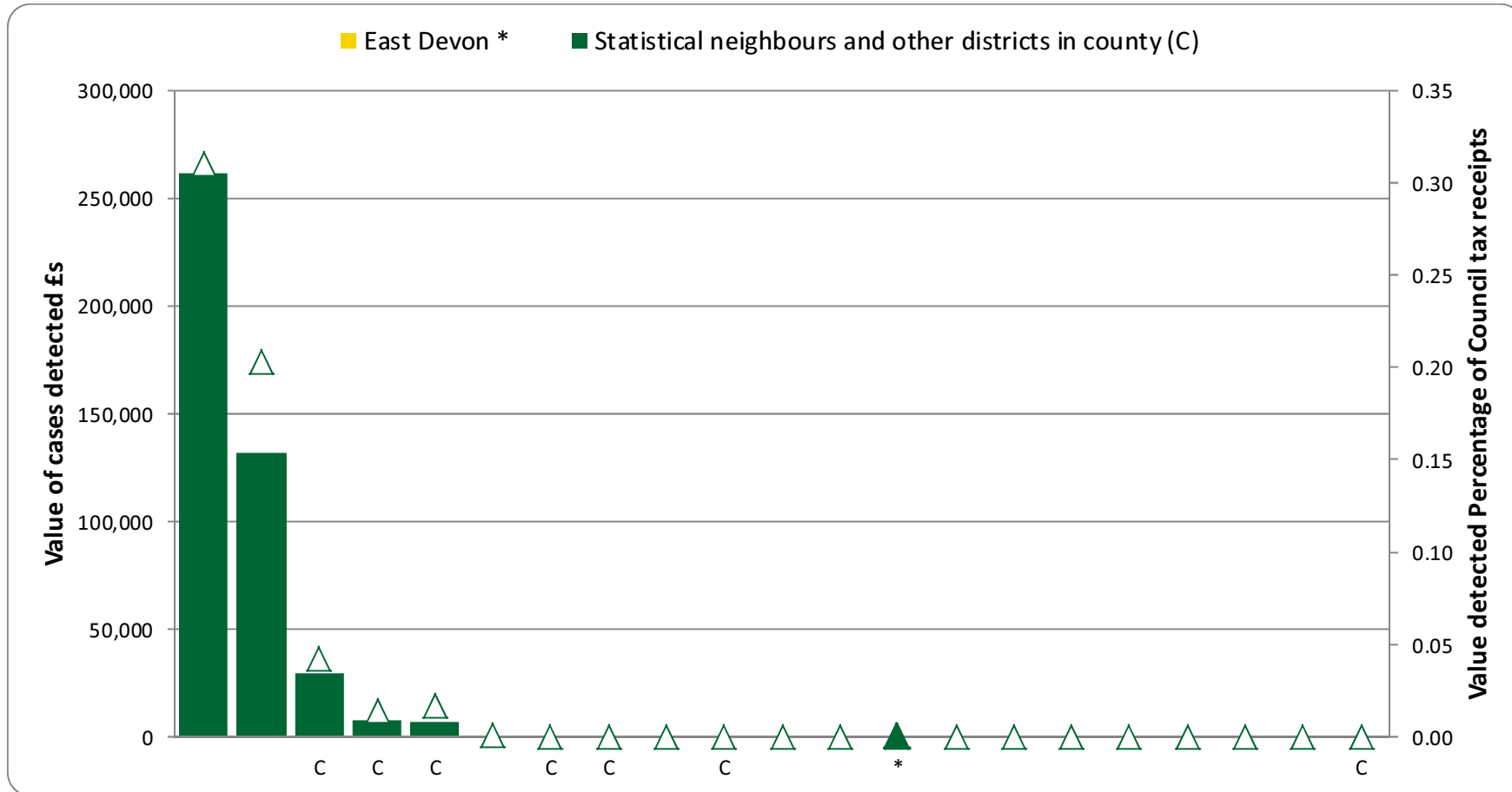
Average for statistical neighbours and county: 123 cases, valued at £141,672



Council tax discount fraud 2013/14

Total detected cases, and as a proportion of council tax income

East Devon



East Devon did not detect any cases of this type of fraud.

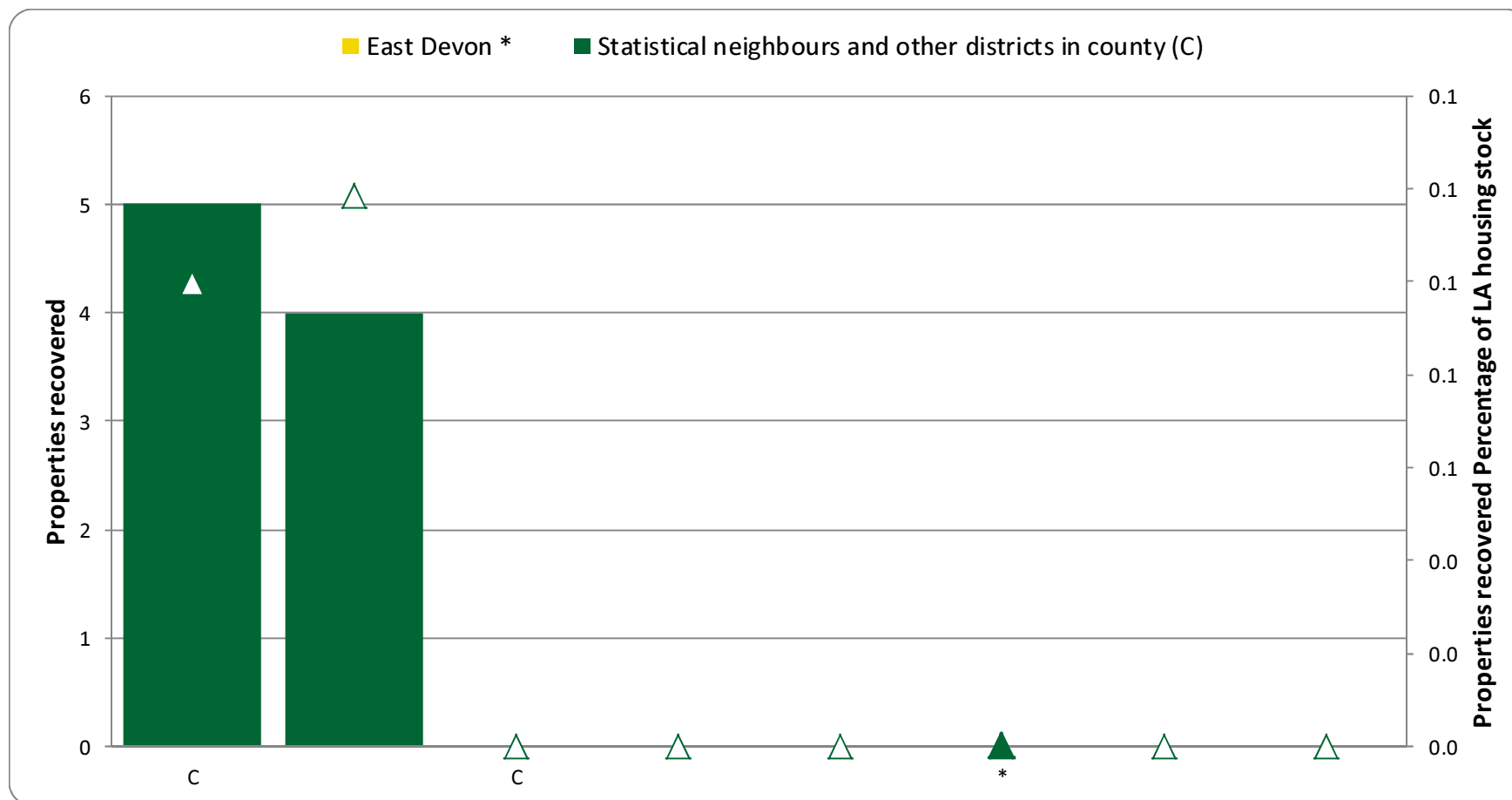
Average for statistical neighbours and county: 53 cases, valued at £21,887



Social Housing fraud (only councils with housing stock) 2013/14

Total properties recovered, and as a proportion of housing stock

East Devon



East Devon did not detect any cases of this type of fraud.
 Average for statistical neighbours and county with housing stock: 1 case



Right to buy fraud (only councils with housing stock) 2013/14

Right to buy cases and value

East Devon



East Devon did not detect any cases of this type of fraud.

Average for statistical neighbours and county with housing stock: 0.0 cases



Other frauds 2013/14

East Devon

Procurement: East Devon did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 6 cases, valued at £91

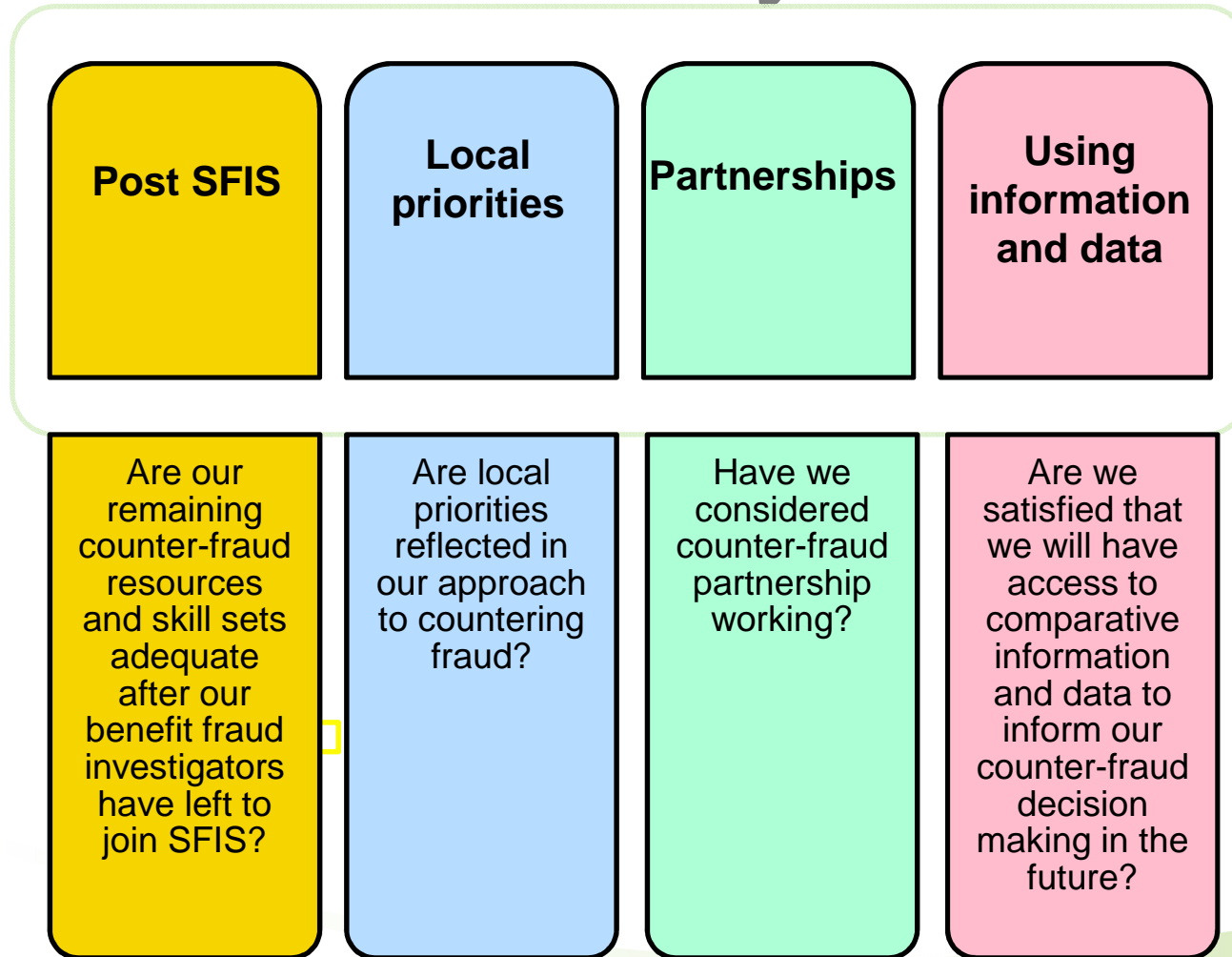
Insurance: East Devon did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 0 cases

Economic and third sector: East Devon did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 0 cases

Internal: East Devon detected this type of fraud and did not report the number of cases.
Total for statistical neighbours and county: 17 cases, valued at £16,923

*Correctly recording fraud levels is a central element in assessing fraud risk.
It is best practice to record the financial value of each detected case*

Questions elected members and decision makers may wish to ask



Any questions?



Report to: **Audit and Governance Committee**
Date of Meeting: 15 January 2015
Public Document: Yes
Exemption: None



Agenda item: **9**

Subject: Internal Audit Plan – Review of 2014/15 Qtr 3

Purpose of report: The Audit Committee agreed the 2014/15 Internal Audit plan at its March 2014 meeting. This report is the update position at the end of Quarter 3

Appendix A - Report of Internal Activity for Quarter 3
Appendix B - Plan Progress Table with Status and Opinion for each audit
Appendix C - Significant Corporate Risks and Management Action Update
Appendix D - Audit Opinion Definitions

Recommendation: **To note the content of the Internal Audit Progress Report**

Reason for recommendation: As a key element of its Governance arrangements the Council have a partnership arrangement with South West Audit Partnership to deliver an annual internal audit plan. The Audit Manager for SWAP, together with the Council's S151 Officer and in consultation with the Senior Management Team produced an Audit Plan for 2014-15 that was approved by the Audit and Governance Committee in March 2014.

The Committee are required to review the progress of the audit plan.

Officer: Andrew Ellins – Audit Manager (SWAP)

Financial implications: No direct financial implications

Legal implications: The legal framework is reflected in the report

Equalities impact: Low Impact

[Click here to enter text on impact level relating to your report.](#) [Link to an equalities impact assessment form if necessary.](#)

Risk: Low Risk

[Click here to enter text on risk considerations relating to your report.](#)

Links to background information:

- Approved Internal Audit Plan 2014/15 – Audit and Governance Meeting March 2014

Link to Council Plan: [Click here to enter which of the Council's priorities this report covers – Living in/Working in/ Enjoying/Funding this Outstanding Place.](#)

APPENDIX A



East Devon District Council

Report of Internal Audit Activity
Quarter 3 Update, 2014/15

Contents

The contacts at SWAP in connection with this report are:

Gerry Cox

Chief Executive - SWAP
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Andrew Ellins

Audit Manager
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andrew.ellins@southwestaudit.co.uk

Summary:

Role of Internal Audit	Page 1
Overview of Internal Audit Activity	
Internal Audit Work Programme 2014/15:	Page 2
Operational Audits	Page 3
Key Controls Audits	Page 4
Information Systems	Page 4
Governance, Fraud and Corruption	Page 5
Special Reviews	Page 5
Future Planned Work	Page 6
Conclusions	Page 6

Our audit activity is split between:

- **Operational Audit**
- **Key Control Audit**
- **Governance, Fraud & Corruption Audit**
- **IT Audit**
- **Special Reviews**

Role of Internal Audit

The Internal Audit service for East Devon District Council is provided by the South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors, but also follows the CIPFA Code of Practice for internal audit. The Partnership is also guided by the Internal Audit Charter last approved in June 2014.

Internal Audit provides an independent and objective opinion on the Authority’s control environment by evaluating its effectiveness. Primarily the work includes;

- Operational Audit Reviews
- Annual Review of Key System Controls
- Cross Cutting Fraud and Governance Reviews
- IT Audit Reviews
- Other Special or Unplanned Reviews

Overview of Internal Audit Activity

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Section 151 Officer following consultation with the Senior Management Team, Service Managers and External Audit. This year’s Audit Plan was approved by the Audit Committee at its meeting in March 2014.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk.

Quarter 3 Outturn:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action.

Internal Audit Work Programme

The schedule provided at [Appendix B](#) contains a list of all audits as agreed in the Annual Audit Plan 2014/15. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective “control assurance” opinions together with the number and relative ranking of recommendations that have been raised with management. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as shown in [Appendix D](#).

Where assignments record that recommendations have been made to reflect that some control weaknesses have been identified as a result of audit work, these are considered to represent a less than significant risk to the Council’s operations. However, in such cases, the Committee can take assurance that improvement actions have been agreed with management to address these.

This year there have been four originally planned audits which have been removed or deferred at the request of the Client as they are no longer relevant at this time. These have been replaced with higher priority risk work and new audits.

Quarter 3 Outturn:

Audit Assignments undertaken in the Quarter

- **Operational Audits**

Operational Audits

Operational Audits are a detailed evaluation of a Service’s control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated.

In Quarter 3 there were 2 audits that had been deferred from earlier in the year, and 2 audits that had commenced that were originally scheduled for Qtr 4.

Audit Area	Opinion	Audit Area	Opinion
Enforcement Agents	Draft	Remote and Mobile Working	In Progress
Regeneration (Qtr 4)	In Progress	Leisure East Devon (Qtr 4)	In Progress

The Enforcement Agent (Bailiffs) audit had been deferred to Qtr 3 from Qtr 2 at the request of the client.

The Remote and Mobile Working audit had been deferred to Qtr 3 so that the operational audit could run alongside the ICT audit of the same area (also deferred to Quarter 3). Commencement of this audit was delayed due to officer availability, but has now begun.

Work has been ongoing this quarter to complete and finalise outstanding audits from the previous quarter. The following Qtr 1 and 2 audits have now been finalised:

- Emergency Planning – Partial Assurance
- Estates Management – Reasonable Assurance
- Homelessness Prevention – Reasonable Assurance
- Contract Management – Responsive repairs and work to void properties – Reasonable Assurance
- Procurement Cards Follow Up – Non Opinion

Quarter 3 Outturn:

Audit Assignments undertaken in the Quarter

- Key Control Audits
- Information Systems

Key Controls Audits

Key Control Audits are completed to assist the External Auditor in their assessment of the Council’s financial control environment. It is essential that all key controls identified by the External Auditors are operating effectively to provide management with the necessary assurance that there is a satisfactory framework of internal control. In Quarter 3 there were three Key Control audits planned;

Audit Area	Opinion	Audit Area	Opinion
Council Tax and NDR	Draft	Main Accounting	Deferred to Qtr 4 at client request.
Housing and Council Tax Benefits	Draft		

Information Systems

Information Systems – IT audits provide the Authority with assurance with regards to their compliance with industry best practice. As with Operational Audits, an audit opinion is given. In Quarter 3 there were two IT audits planned;

Audit Area	Opinion	Audit Area	Opinion
Remote and Mobile Working	In Progress	E- Procurement	In Progress

Work has been ongoing this quarter to complete and finalise outstanding audits from the previous quarter. Progress has been made on the following Qtr 1 and 2 audits as follows:

- Disaster Recovery – Final - Reasonable Assurance

Quarter 3 Outturn:

Audit Assignments undertaken in the Quarter

- **Governance, Fraud and Corruption Audits**
- **Special Reviews**

Governance, Fraud and Corruption Audits

Governance, Fraud and Corruption Audits focus primarily on key risks relating to cross cutting areas that are controlled and/or impact at a Corporate rather than Service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk. This work will in some cases enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting these reviews at all of our Client sites.

There was 1 governance audit planned for Quarter 3, and 1 brought forward from Quarter 4:

Audit Area	Opinion	Audit Area	Opinion
Payroll Starters and Leavers Theme	Not Started	VAT Theme (originally scheduled for Qtr. 4)	In Progress

Work has been ongoing this quarter to complete and finalise outstanding audits from the previous quarter. The following Qtr 1 and 2 audits have now been progressed as follows:

- Statutory Officers – Draft Stage
- Tenancy Fraud – Final – Partial Assurance
- Private Water Supply Regulation Theme – Final – Partial Assurance

Special Reviews

There were no special reviews carried out in Quarter 3.

We keep our audit plans under regular review, so as to ensure we are auditing the right things at the right time.

Future Planned Work

This is detailed in [Appendix B](#) and is subject to any changes in agreement with the S151 officer.

Conclusions

For the audits completed to report stage, each report contains an action plan with a number of recommendations which are given service priorities. Definitions of these priorities can be found in the Categorisation of Recommendations section of [Appendix D](#).

The Committee will be aware that in June 2014, SWAP were pleased to provide an Audit Opinion for the Annual Governance Statement for 2013/14 that gave Reasonable Assurance.

Our approach to the audits for 2014/15 reflects this positive assurance and we are seeking to undertake more challenging and cross-cutting reviews rather than traditional service reviews that we have done over recent years, given that these areas have now proven themselves to have adequate and often good internal controls. We shall continue to give ongoing assurance on key controls, but similarly we can do this with less resource than we have previously.

A list of all audits planned for 2014/15 and their status at the end of Quarter 3 are detailed in [Appendix B](#).

High Priority Findings identified from the work completed so far in Quarter 3 relates to Emergency Planning, Disaster Recovery and Tenancy Fraud. These are detailed for information in [Appendix C](#).

East Devon District Council Audit Plan Progress 2014/15 - Qtr 3 Update

APPENDIX B

Audit Type	Audit Title	Quarter	Status	Opinion	No. of recs	Major - Recommendations - Minor				
						5	4	3	2	1
Advice/ Consultancy	Council Office Relocation	1-4	Ongoing	Non opinion	0	0	0	0	0	0
ICT	ICT Shared Service - STRATA	1-4	Ongoing	Non opinion	0	0	0	0	0	0
ICT	Disaster Recovery	1	Final	Reasonable	8	0	1	6	1	0
Operational	Emergency Planning	1	Final	Partial	12	0	2	7	3	0
Operational	Estates Management	1	Final	Reasonable	3	0	0	2	1	0
Operational	Enforcement Agents	1	Draft		0	0	0	0	0	0
Governance, Fraud &	Statutory Officers	1	Draft		0	0	0	0	0	0
Follow Up	Procurement Cards Follow Up	2	Final	Non opinion	0	0	0	0	0	0
Governance, Fraud &	Tenancy Fraud	2	Final	Partial	13	0	2	11	0	0
Governance, Fraud &	Private Water Supply Regulation Theme	2	Final	Partial	10	0	0	10	0	0
Operational	Homelessness Prevention	2	Final	Reasonable	5	0	0	5	0	0
Operational	Contract Management – Responsive repairs and work to void properties	2	Final	Reasonable	7	0	0	7	0	0
Governance, Fraud &	Absence Management Theme	2	Removed		0	0	0	0	0	0
ICT	Protective Marking	2	Deferred		0	0	0	0	0	0
Key Control	Council Tax / NDR	3	Draft		0	0	0	0	0	0
Key Control	Housing & Council Tax Benefits	3	Draft		0	0	0	0	0	0
ICT	E-Procurement	3	In Progress		0	0	0	0	0	0
Operational	Remote and Mobile Working	3	In Progress		0	0	0	0	0	0
ICT	Remote and Mobile Working - ICT	3	In Progress		0	0	0	0	0	0
Governance, Fraud &	Payroll Starters & Leavers Theme	3	In Progress		0	0	0	0	0	0
Operational	Leisure East Devon	4	In Progress		0	0	0	0	0	0
Operational	Regeneration	4	In Progress		0	0	0	0	0	0
Governance, Fraud &	VAT Theme	4	In Progress		0	0	0	0	0	0
Key Control	Main Accounting	4			0	0	0	0	0	0
Follow Up	Streetscene Asset Inspections (public safety)	4			0	0	0	0	0	0
Governance, Fraud &	Recruitment and Vetting Fraud Theme	4			0	0	0	0	0	0
Operational	Council Homes	4	Removed		0	0	0	0	0	0
Operational	Cash Collection	4	Deleted		0	0	0	0	0	0
Operational	SITA Waste Collection Contract (New)	4			0	0	0	0	0	0

High Priority Findings and Recommendations

Report Date	Weakness Found	Risk Identified	Agreed Action	Responsible Officer	Agreed Date
Emergency Planning					
Sept 2014	The Service Level Agreement has never been formally approved or reviewed.	There is a risk that the arrangement no longer meets the needs of the Council, or that the demands placed on the Civil Contingency Manager exceed the time available for her to complete them. Unless the SLA is formalised, there is a risk that the scope and extent of this arrangement may be unclear or become eroded over time, particularly in respect of regular monitoring meetings and payment arrangements. There is a risk that EDDC are not receiving the level of service anticipated under the terms of their arrangement.	The SLA will be sourced, reviewed and completed to formalise the shared officer arrangements.	Street Scene Manager	Jan 2015

Sept 2014	The Emergency Contact list is out of date.	There is a risk that time is wasted contacting the wrong people in an emergency and trying to find contact details for correct officers. There is also a risk that officers who need to be told of certain events are not notified. In addition to these points, there is also the risk that relevant officers are not identified for training and information updates if there is no up to date list of relevant emergency contacts.	The emergency contact list has recently been updated and circulated. A biannual review of the list will be scheduled.	Street Scene Manager	April 2015 for 1st review.
Disaster Recovery					
Dec 2014	Service Managers need to confirm and update critical and non-critical systems within the Business Continuity Plan.	There is a risk that systems and information are not recovered in accordance to the business needs of the Council.	<p>It was agreed that senior business managers would review the essential services detailed in the BCP and update it as necessary. This information should be used by the ICT Department to ensure that the list of critical and non-critical systems they developed and the proposed timescales by which systems and information should be recovered is appropriate.</p> <p>Services should also nominate officers to participate in BCP & DR Testing for each of the systems identified above. All tests should be scripted and the results recorded, with a copy held by the Councils and Strata accordingly. Preferably tests should be conducted annually.</p>	Head of Finance & Section 151 Officer	Dec 2015

Tenancy Fraud					
Nov 2014	Audit trails within Home Connections do not capture all changes	If notes can be added or deleted with no change to date and time stamps or an acknowledgement on the audit trails, information can be manipulated.	The Housing Needs and Strategy Manager has confirmed that action has been taken to ensure the editing of notes is no longer possible.	Housing Needs and Strategy Manager	Nov 2014
Nov 2014	There is an absence of a defined approach with regards to the conditions for any different sanctions; mitigating factors; and that cases must satisfy the evidential and public interest tests.	Without a clearly defined social housing anti-fraud policy, which is easily accessible from the Council's intranet and internet, tenants, Members and staff will be less aware of the approach the Council will take to counter social housing fraud. It will also be less obvious to the Fraud Investigators of the penalties the Council wish to apply to those found guilty of tenancy fraud.	The Housing Needs and Strategy Manager has agreed to draft a social housing anti-fraud policy and following Member approval make this accessible on the intranet and internet.	Housing Needs and Strategy Manager	Mar 2015

Audit Framework Definitions

Control Assurance Definitions

Substantial	▲ ★★★ I am able to offer substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable	▲ ★★ I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	▲ ★ I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None	▲ I am not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Categorisation Of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

Priority 5: Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.

Priority 4: Important findings that need to be resolved by management.

Priority 3: The accuracy of records is at risk and requires attention.

Priority 2: Minor control issues have been identified which nevertheless need to be addressed.

Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Risk

Risk	Reporting Implications
Low	Issues of a minor nature or best practice where some improvement can be made.
Medium	Issues which should be addressed by management in their areas of responsibility.
High	Issues that we consider need to be brought to the attention of senior management.
Very High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Report to: Cabinet
Date of Meeting: 7 January 2015
Public Document: Yes
Exemption: None
Review date for release: None



Agenda item: 14

Subject: **Thelma Hulbert Gallery progress report**

Purpose of report: To inform Cabinet of the progress made by the THG since its March 2014 meeting. The report will detail progress made in securing grants and income, also the successes made in its outreach work which provides a significant social value to the local community and East Devon DC.

Recommendation: **That Cabinet agrees the proposed budget set for 2015/16 to enable the Thelma Hulbert Gallery to achieve a significantly improved financial performance.**

Reason for recommendation: The recent budget setting process for 2015/16 has scrutinised the recent grant awards for the THG and considered the potential for driving up its income potential. The process has also noted and incorporated emerging sponsorship income for 2015/16 as well as the significant growth in its shop sales year on year. The budget is therefore set to challenge the THG to reducing its overall cost to the Council by £19,210 in comparison to its budget 2014/15. This performance if achieved is a clear demonstration of the improved financial performance of the THG and the success of its new team in securing grants and new income streams that help reduce the annual contribution made to its running costs.

Officer: Charlie Plowden, Service Lead – Countryside & Leisure x2068
cplowden@eastdevon.gov.uk

Financial implications: Financial information is included within the report.

Legal implications: The Thelma Hulbert Gallery is owned and run by the Council. Its financing is a matter of discretion for Cabinet. No further legal observations are required.

Equalities impact: Low Impact
Previous reports have highlighted the importance of the community work of the Gallery especially the educational work which engages with a wide range of the community.

Risk: High
The financial risk is outlined in the report as there is pressure for the THG to deliver significant growth in income in 2015/16 based on the budget expectations and also the projections made for securing the Arts Council funding.

Links to background information: • Draft THG budget 2015/16

Link to Council Plan: The THG helps achieve the priorities under Enjoying this Outstanding Place as well as supporting economic objectives of the Council.

1. Cabinet recommendations progress report

1.1 Cabinet considered the report of the former Deputy Chief Executive in June 2014 that proposed potential new governance arrangements for the THG that flowed from the Business Survival Strategy which was reported and approved by Cabinet in the March 2014 meeting. Cabinet were also made aware of a significant grant application being worked up to the Esmee Fairburn Foundation that would help unlock important income streams this was being done in anticipation of the transfer of the THG into Leisure East Devon Ltd. LED's own trust status would enable the THG to apply for this grant as public bodies were ineligible.

1.2 Members agreed the following actions at the June Cabinet meeting:

Recommendation	Update
(i) Successful grant applications which mean the Gallery can still function with a reduced financial support package from the Council	<ul style="list-style-type: none"> • The THG submitted an application to the Esmee Fairburn that would have secured the income streams outlined in the Business Survival Strategy but was unsuccessful due to the issue of Trust status being unclear/unresolved; • Further grant applications have been made (see Section 2.4 in the report but the THG is working hard to overcome the set back in not achieving Trust status
(ii) Satisfactory detailed transfer arrangements being agreed between the Council and LED, with delegated authority being given to the Chief Executive, in conjunction with the relevant portfolio holder to approve them, and subject to further legal, financial and valuation advice as required.	<ul style="list-style-type: none"> • LED's Management Board carefully considered the possible transfer of the THG having looked at the strategic fit and financials but came to conclusion that it was not the right time due to their own ambitious programme of projects. • The stand alone Trust idea was explored by the former Deputy Chief Executive but the advice given was that the THG was not a big enough venture to make it succeed and there would be no value added by pursuing this option.

2. Social value to EDDC

2.1 The Gallery's work is set in the context of the Council's priority work under 'Enjoying this outstanding District' section of the Council Plan. Its purpose is 'A community gallery offering great art that's welcoming, accessible, engaging and inspiring'. A major aspect of the THG Team's work has been engaging with community groups and hard to reach groups to improve their quality of life through art education, workshops and projects. This important contribution to our Council Plan priority and equalities agenda is generally a cost to the Council rather than an income generator. This public service element, delivered so effectively by the Gallery, needs to be recognised alongside its priority work to increase footfall and income.

2.2 The THG has been extremely active since March 2014 working with a wide range of organisations, community groups and schools to enhance its growing outreach work programme. The breadth and diversity of this area of the Gallery's work is often overlooked when reviewing its business performance. However it is this area of work which gives East Devon DC its greatest return in terms of its social value for the local community and in turn enhances the Council's reputation management. This is exemplified by the recent Devon

Tourism Award 2014 and the THG being awarded the prestigious 'Winner of Winners Award' outperforming the likes of Crealy, the Deer Park Hotel and Stuart Lines Cruises, a remarkable achievement.

2.3 The outstanding work of the THG team these last 8 months is captured in the table below which showcases the success of the new Gallery team and the impact it is having on a wide range of new audiences.

Key outputs/achievements 2014/15 (YTD)

1	THG awarded Gold at the Devon Tourism Awards 2014 for most accessible attraction and the prestigious Winner of Winners Award. Once again THG has been awarded the Visit England Quality Assured Visitor Attraction award.
2	THG's exhibitions provide a year round diverse and engaging programme. Engaging with local, national and international visitors. Exhibitions such as Peter Randall-Page (internationally renowned sculptor) have helped to build the gallery's reputation. This exhibition encouraged sales of art of high value (one sculpture sale made a £2,500 profit for THG) alongside merchandise which is affordable i.e. postcards, catalogues.
3	THG is now a Dementia-friendly gallery following training for staff and volunteers
4	THG employed 2 new part-time staff (job-sharing the Gallery & Shop Officer position) plus a new Casual member of staff is being funded by HLF and Arts Council to work on THG Education Projects. Impressive results from new THG team include a dramatic upturn in income through sales, donations, sponsorship and grants.
5	THG secured £18,400 funding from HLF to explore the history of Elmfield House with socially excluded young people, the THG youth group, adults with Dementia and to work with range of local cultural and community organisations.
6	THG secured £5450 from The Northbrook Trust and £250 from The Norman Family Charitable Trust towards our education programme with local schools and socially excluded young people.
7	THG delivered free artist-led workshops with over 800 local schoolchildren at the gallery, thanks to Arts Council funding.
8	THG delivered a series of conservation workshops with local schools with funding from The Eridge Trust to promote the paintings of Thelma Hulbert and enable local young people to work with a professional conservator explaining how to restore paintings.
9	THG partnered Honiton Memory Cafe and Hospital League of Friends and with support of 50 local artists, the fundraising art auction at THG raised £15,000, which was split between the three organizations.
10	THG created a new Audience Development Strategy and partnered The Audience Agency to issue nationally-recognised arts questionnaires for visitors.
11	New sponsors Every Solicitors secured for Present Makers 2014 exhibition. New links forged with 10 sponsor partners hoping to sponsor 2015 exhibitions
12	THG now a registered member of the Own Art Scheme for galleries of contemporary visual arts and crafts, which offers customers the opportunity to purchase art works by spreading the cost over 10 months interest free. This scheme looks to build a sustainable and resilient creative economy making the arts accessible and affordable to all.
13	The gallery facilities were made accessible to a number of local community groups throughout the year for: reading, knitting, free public valuations, creative workshops, meetings, launches and promotional events.
14	THG has built links with local businesses who hire the gallery space on a regular basis and for one off events, for cross-promotional purposes and sharing and expanding

	audiences e.g. Bearnas Hampton & Littlewood auctioneers have booked antique valuations every Thursday. Total income £2,500 for 2014 and further £2,500 budgeted for 2015
15	THG has raised the gallery & exhibitions profile by promoting the gallery in new art and lifestyle publications, including Devon Life, Devon Home and Flybe magazines, what's on and art websites and secured advertisement at Honiton Station for 2015 to reach out to visitors/tourists arriving in Honiton
16	THG has raised the gallery's social media profile to engage new and younger audiences (Twitter 1,352 followers, Facebook 270 Likes) and adding to THG to Pinterest and Trip Advisor
17	Two Hayward Touring exhibitions secured including Matisse cut outs for early 2015. Providing a major pull for visitors and potential sales opportunities for merchandise are good.
18	THG went out and about to promote the gallery. We took THG out on a pitch at Honiton Street Market to promote the gallery on the High Street. Also we had two stands at Honiton Show promoting the gallery in the Blackdown Hills marquee and in the Bearnas, Hampton and Littlewood marquee (extending our successful partnership with the auctioneers) these lead to extra visitors both on the day and subsequently. THG will continue this in 2015.

2.4 The THG has since its last report to Cabinet achieved an impressive level of community outreach work that has not only added value to the work of the THG but added to the positive reputation management of EDDC.

Grants awarded 2014/15:

- The Arts Council - £40,000: project costs for audience development and education programme during 2015 -17. This funding will largely be spent on an Education Co-ordinator in order to deliver this work. The £40,000 is ring fenced for expenditure on developing THG's audiences over 2 years it will also *generate* income by:
 - Delivering more paid workshops, artist talks and hiring the Learning Room
 - Increased audiences = increased sponsorship, donations and spending in shop
 - Creating more affordable artwork to sell
 - Levering further funding because the ACE grant provides matchfunding/ the kind of projects that will lead to further grants
 - Meeting some of THG's overhead costs where possible such as marketing, technical support, community and schools workshops.
 - Bringing in partnership funding by collaborating with other cultural and healthcare organisations.
- THG secured £18,400 funding from HLF to work with socially excluded young people, other young people, adults with Dementia and to work with range of local cultural and community organisations
- THG secured £5,450 from The Northbrook Trust and £250 from The Norman Family Charitable Trust towards the Gallery's education programme with local schools and socially excluded young people.
- **Total grants awarded: £64,100**

Grants pending:

- THG has submitted an application to the Elephant Trust for £1,800 to develop the work of this years winners of THG Open exhibition (both local artists) for an exhibition and workshops at THG. Also towards the Blackdown Hills exhibition in 2015 (video installation/ marketing costs)
- **Total grants pending: £1,800**

Sponsorship & income 14/15 (YTD)

- Exhibition sales from all THG events held (achieving 40% commission on each sale made) £5,013
- THGs partnership with auctioneers Bearnese, Hampton & Littlewood now brings in £2,600 annually in room hire fees for antique valuations every Thursday.
- Shop income currently £9,138 (THGs Art Auction in partnership with Honiton Memory Café & Hospital League of Friends made THG £4,738).
- 2014 Sponsorship in kind (competition prizes & food) £1,100
- 2014 Exhibition Sponsorship £900
- **Total income & sponsorship YTD: £18,751**

Sponsorship awaiting:

- THG awaiting responses to 10 key sponsors for 2015 exhibitions - securing approx £3,000 income.

3. Business performance

3.1 The THGs financial performance since the beginning of the 2014/15 financial year has been very encouraging and is following a consistent trend of improvement in both income and visitor footfall since 2012.

THG Income					
Month	2014	2013	Variation	Percentage	2012
April	£2,195.90	£1,450.94	up	51.34%	£1,412.34
May	£2,318.97	£2,780.06	down	16.59%	£723.14
June	£4,524.79	£418.87	up	980.24%	£835.67
July	£2,530.45	£1,848.06	up	36.92%	£1,389.20
August	£2,372.21	£2,183.62	up	8.64%	£915.45
September	£3,319.65	£5,204.90	down	36.22%	£764.30
TOTALS	£17,261.97	£13,886.45	up	24.31%	£4,629.30
Visitor Figures (6 months)					

Month	2014	2013	Variation	Percentage	2012
April	822	556	up	47.84%	639
May	470	462	up	1.73%	487
June	624	424	up	47.17%	410
July	776	810	down	-4.20%	587
August	712	686	up	3.79%	608
September	629	691	down	-8.97%	457
TOTALS	4033	3629	up	11.13%	3180

3.2 The performance of the shop and exhibition sales is significant in that the recently refurbished shop area and new retail offer within it is now beginning to show a consistent uplift in sales. The sales figures for June 2014 reflect the financial success of the Peter Randall-Page exhibition with one sculpture sale making £2,500 profit for the Gallery.

3.3 The growth in visitor footfall is more modest but again there is a consistent trend in that overall numbers are growing and the impact of a better retail offer and the work of the Sponsorship & Marketing Officer is having a positive effect. There is still a challenge to increase these consistently to the levels outlined in the Business Survival Strategy of 10-12,500 visitors p.a however total visitor figures **from January to September 2014 are now over 7,000.** Therefore the THG is on the right track.

4. Draft budget 2015/16

4.1 Cabinet have indicated that they wish to see a reduction in the overall support provided to the THG and the Business Survival Strategy presented to Members in March 2014 outlined a budget scenario over three years based on a number of factors. These were that the THG was established as a Trust and that under this new governance arrangement grants such as the Esmee Fairbairn were eligible for new income and new arrangements such as charging for admission were put in place.

4.2 The lack of movement on setting up as Trust has meant a rethink towards the budget setting process and a recognition that certain income streams have now been closed down as a result. However the message to reduce the bottom line contribution from EDDC has been taken on board and the proposed budget for next year is attached as Appendix A.

4.3 The key areas of growth are around a new education income stream from the Arts Council's recently awarded grant for £40,000 to develop this strand of work and the impressive growth in shop and exhibition takings in the last 6 months. There are additional new strands of income coming from sponsorship, room hire and donations. These areas it is anticipated will continue to grow with the new team in place chasing sponsorship and donations plus the PR generated by the success of the Gallery's new Devon Tourism Award.

4.4 Therefore it is anticipated that the **THG will reduce its budget by £19,210 in 2015/16** from this year which is a combination of increased levels of income and controlling other areas of expenditure. The cost of recharges remains significant for the THG and these amount to £26,230 without the Strata costs yet costed so it will rise again. **The cost of the THG to EDDC above the line of the recharges is £77,760** which is a figure that Cabinet might agree is better value for money.

5. Summary

- 5.1 The Gallery has made significant strides forward in the last 6 months both in terms of its income generation and positive contribution to the Council's reputation management with the industry awards it continues to receive for recognition of excellence.
- 5.2 The success of the new team in bringing in new grants is outlined in the report but should not be underestimated as nationally Arts Council grants have been reduced significantly and so more venues are chasing their competitive grants schemes. The total grants of £65,000 to help support the diverse and important outreach work of the THG has meant that many socially disadvantaged groups have benefitted from the work of the Gallery that is hard to place a monetary value on. This work is at the core of everything the THG aspires to do and using the artists and exhibitions it puts on provides many different community groups, schools and special needs groups an opportunity to engage in a positive way with art.
- 5.3 The health and wellbeing agenda EDDC is currently exploring has been firmly embedded in the work of the THG and the key outputs 2014/15 in section 2.3 gives plenty of examples of how this is being successfully delivered. The social value of the Gallery to these groups is invaluable.

2015/16 Budget Submission

Countryside & Culture

Service: Thelma Hulbert Gallery

39321 Thelma Hulbert Gallery

A/C Code	Account Name	2013/14 Budget	2013/14 Actual	2014/15 Budget	2014/15 Actual Period 1-6	Draft 2015/16 Budget	DMT Amended 2015/16 Budget	Draft 14/15 to 15/16 Increase/(Decrease)	Notes
0010	Wages	3,700	2,915	2,600	4,113	5,500	5,500	2,900	
0100	Salaries	46,170	47,006	58,380	28,576	61,260	61,260	2,880	
0110	Overtime	0	42	0	0	0	0	0	
0199	Employee Benefits Accrual	0	1,334	0	0	0	0	0	
0260	Ni Ers Rev Exp	2,780	2,532	3,670	1,187	2,370	2,370	(1,300)	
0280	Superannuation Ers	8,540	8,371	10,800	4,816	11,640	11,640	840	
0500	Recruitment Advertising	0	0	0	450	0	0	0	
0671	Casualty Insurance	660	614	780	1,050	1,070	1,070	290	Budget Fixed Corporately
0830	Pensions Paid Actual Contribs	0	(8,371)	0	0	0	0	0	
0860	Pension Current Service Cost	0	12,774	0	0	0	0	0	
3302	Criminal Record Check Fees	160	0	160	66	160	160	0	Used for Volunteer / casual staff
Total Employment Costs		62,010	67,217	76,390	62,010	82,000	82,000	5,610	

1010	Property Contractors	0	1,630	0	0	0	0	0	
1011	Property Maintenance Ad Hoc	1,700	45	0	0	0	0	0	Budget set by Property Services
1012	Property Cleansing Service	2,370	2,818	3,000	930	3,000	3,000	0	Cleaning services for the Gallery
1015	Major Build Works	0	1,466	0	0	0	0	0	
1018	Planned Mtce Sa Corp Budget	0	0	0	0	0	0	0	Budget set by Property Services
1150	Materials Land And Build	50	470	0	0	0	0	0	
1210	Energy Costs Electricity	860	0	0	0	0	0	0	8% inflation included
1211	Electricity Bulk Billing	0	1,478	1,700	735	1,700	1,700	0	8% inflation included
1220	Energy Costs Gas	1,510	1,212	1,600	358	1,500	1,500	(100)	5% inflation included - (boiler due for renewal - capital programe)
1250	Rates	5,880	6,313	6,050	6,123	6,240	6,240	190	2% inflation included

1260	Water Charges	620	392	650	199	550	550	(100)	5% inflation included
1450	Property Insurance	800	416	980	1,093	1,110	1,110	130	Budget Fixed Corporately
Total Premises Costs		13,790	16,240	13,980	13,790	14,100	14,100	120	
2070	Repair Of Plant	0	3	0	0	0	0	0	
2270	Idt Exp Car Park Permits 6188	0	360	360	396	1,080	1,080	720	3 staff passes @ 132 & 4 duty passes for the volunteers @ 170
2700	Travelling	480	505	900	10	500	500	(400)	Staff travelling - efforts made to reduce travelling
2702	Train Fares	0	7	0	0	0	0	0	
2704	Irrecoverable Vat On Travel	0	31	0	0	0	0	0	
3796	Volunteer Mileage	0	653	0	453	410	410	410	Volunteer milealge
Total Transport Costs		480	1,559	1,260	480	1,990	1,990	730	
3010	Equipment & Plant Purchase	320	673	500	131	360	360	(140)	equipment required for exhibitions
3030	Equipment Hire	0	17	0	0	0	0	0	
3060	Commission	2,940	6,655	4,500	3,462	6,500	6,500	2,000	increase in exhibition sales
3079	Consumables	0	73	0	25	0	0	0	toner cartridges
3080	Catering	210	456	210	114	210	210	0	exhibition opening events etc
3084	Strata Consumables Jobs Toner	0	0	0	0	70	70	70	exhibition opening events etc
3085	Strata Consumables Jobs Paper	0	0	0	0	50	50	50	exhibition opening events etc
3140	Stock Purchase	4,530	2,042	3,000	884	3,000	3,000	0	purchase of stock for shop, christmas etc
3150	Materials	140	189	140	131	200	200	60	exhibition materials
3250	Stationery	0	10	0	0	0	0	0	
3251	External Printing	0	1,332	1,400	765	1,400	1,400	0	We have received some funding for the current yr covering 1 print. Hoping for funding but THG will be required alternatively (2 prints)
3254	Strata Internal Print Jobs	2,440	519	2,610	218	360	360	(2,250)	Budget Fixed Corporately
3300	Non Property Contractors	150	0	150	0	150	150	0	
3331	Artist Fees	0	2,448	2,500	750	2,500	2,500	0	This is dependant on the Arts Cncl grant, if we get this grant then part of this will be covered, otherwise funded by THG
3464	Technical Support	0	0	0	0	0	0	0	

3501	Educational Fees	0	1,990	2,000	480	1,300	1,300	(700)	This is dependant on the Arts Cncl grant, if we get this grant then part of this will be covered, otherwise funded by THG
3590	Bank Charges	310	475	500	209	510	510	10	Chip & Pin charges - this will increase as sales increase, more payment by Credit cards
3620	Special Promotions/Events	1,650	435	500	120	500	500	0	Sponsorship of events / exhibitions / competitions
3650	Strata Postage Jobs	90	25	40	10	30	30	(10)	Budget Fixed Corporately
3653	External Postage	0	215	150	167	220	220	70	We use stamps so everything is sent externally - would require a franking machine / cleanmail on site
3654	Cleanmail Postage	2,790	783	0	0	0	0	0	Budget Fixed Corporately
3655	Internal Cleanmail Recharges	0	0	1,920	280	910	910	(1,010)	Budget Fixed Corporately
3661	Phone Mobiles Internal Rechg	140	60	60	5	60	10	0	Budget Fixed Corporately
3662	Phone Land Lines Internalrechg	470	479	490	196	500	540	10	Budget Fixed Corporately
3663	Broadband Internal Recharge	640	668	660	247	670	670	10	Budget Fixed Corporately
3665	Mobiles Corp External Invoices	0	0	0	0	6	0	6	
3666	Lines/Circts Corp Ext Invoices	0	174	0	0	174	0	174	annual line service charge
3668	Broadband Corp Extnal Invoices	0	423	0	67	430	240	430	ADS rents
3701	It Software Purchase	0	59	0	0	0	0	0	
3702	It Software Annual Costs	30	10	30	0	30	30	0	Domain renewal
3707	Wan Costs	1,130	1,096	1,100	548	1,120	1,120	20	WAN costs
3760	Subsistence	410	0	0	0	0	0	0	
3880	Subscriptions Not Publications	100	74	100	328	330	330	230	Needed to be in a position to apply for Grant funding - Networks which provide details of grants available
3900	Plant Equip Insurance	1,250	1,024	900	898	910	910	10	All risks Insurance
3930	Advertising General	3,250	4,506	3,250	1,398	3,300	3,300	50	Inorder to generate more income in sales we need to advertise exhibitions etc
3991	It Hardware Purchase	0	20	0	679	0	0	0	
Total Supplies & Services		22,990	26,930	26,710	22,990	25,800	25,420	(910)	
6006	Agreed Contribution	0	(1,000)	(1,000)	0	0	-10,000	1,000	Education income (from anticipated Arts Council grant): £10K (new income stream & budget code req'd for this)

6039	Income - Recovery Of Costs	0	(446)	0	(500)	0	0	0	
6224	Donations	0	0	0	(711)	(500)	-3,500	(500)	
Total Non Gvt Grants & Contributions		0	(1,446)	(1,000)	(1,211)	(500)	-13,500	500	

6017	Commission	0	(7,921)	(2,800)	(5,013)	(7,000)	-9,000	(4,200)	
6058	Room Hire Exempt	0	(1,728)	(500)	(1,658)	(2,000)	-3,000	(1,500)	
6090	Catering Income	(210)	(666)	(500)	(336)	(550)	-550	(50)	
6117	Refund	0	0	0	180	0	0	0	
6145	Membership Fees	0	(911)	(800)	(390)	(700)	-700	100	
6190	Events	0	0	0	(420)	0	0	0	
6196	Thg Shop Income	(17,500)	(10,438)	(19,060)	(7,764)	(15,000)	-19,000	4,060	
6500	Rent	0	0	0	(650)	0	0	0	
Total Customer Receipts		(17,710)	(21,664)	(23,660)	(16,051)	(25,250)	-32,250	(1,590)	

5031	Hr Rechg	1,760	1,760	3,860	3,860	2,620	2,660	(1,240)	Budget Fixed Corporately
5060	Strata Service Post Fixed	2,150	2,150	1,390	1,390	60	510	(1,330)	Budget Fixed Corporately
5061	Strata Service Print Fixed	4,770	4,770	1,560	1,560	520	590	(1,040)	Budget Fixed Corporately
5101	Thelma Hulbert Rechg	0	0	0	0	0	0	0	Budget Fixed Corporately
5121	Accountancy Rechg	1,250	1,250	2,680	2,680	3,390	3,210	710	Budget Fixed Corporately
5161	Payroll Rechg	1,070	1,070	2,480	2,480	1,570	1,580	(910)	Budget Fixed Corporately
5461	Pc Support Rechg	5,320	5,320	5,710	5,710	0	8,310	(5,710)	Budget Fixed Corporately
Total Internal Corporate Recharg Exp		16,320	16,320	17,680	17,680	8,160	16,860	(9,520)	

1061	Grounds Maintenance Recharge	4,600	4,600	3,500	3,500	4,500	4,500	1,000	
5261	Prop Serv Rechg	5,440	5,440	9,900	9,900	5,000	4,960	(4,900)	
Total Internal Frontline Recharg Exp		10,040	10,040	13,400	13,400	9,500	9,460	(3,900)	

7500	Depreciation Revenue	0	1,474	0	0	1,470	1,470	1,470	Budget Fixed Corporately
Total Capital Chg		0	1,474	0	0	1,470	1,470	1,470	

Thelma Hulbert Gallery		107,920	116,670	124,760	113,088	117,270	105,550	(7,490)	
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81,560 88,836 93,680 82,008 98,140 77,760 Direct costs income & expenditure

Agenda Item: 13

Audit and Governance Committee

8 January 2015



Audit and Governance Committee

Forward Plan 2014/15

Date of Committee	Report	Lead Officer
8 January 2015	<ul style="list-style-type: none">• Internal Audit Activity – Quarter 3 2014/15• Audit Committee update• Certification Report• Office relocation project update• Risk management review• Five Year Land• Thelma Hulbert Gallery	Grant Thornton Grant Thornton SWAP SWAP Management Information Officer Policy Planning Countryside Manager
12 March 2015	<ul style="list-style-type: none">• Annual Audit Plan 2015/16• Audit Plan• Audit Committee update• Office relocation project update• Risk management review	SWAP Grant Thornton Grant Thornton SWAP Management Information Officer