

Minutes of a Meeting of the Audit & Governance Committee held at Knowle, Sidmouth on 5 March 2015

Attendance list at end of document

The meeting started at 2.30pm and ended at 5.00pm.

***46 Appointment of Vice Chairman**

In the absence of the Vice Chairman, Councillor Steve Hall was appointed Vice Chairman for the meeting.

***47 Public Speaking**

There was no public speaking.

***48 Minutes**

The minutes of the Audit and Governance Committee meeting held on 5 January 2015 were confirmed and signed as a true record.

***49 Audit Plan/Audit Committee update**

Members considered the report of Grant Thornton who provided the Council with a report on progress in delivering responsibilities as their external auditor. Progress as at February 2015 included: The 2014/15 Accounts Audit Plan would be reported to the June meeting of the Committee. The interim accounts audit, 2014/15 Final Accounts Audit, Value for Money Conclusion and 2014-14 Certification Work were ongoing.

Members noted that there was an additional fee of £900 in respect of work on material business rates balances. The additional work was necessary, as auditors were no longer required to carry out work to certify NDR3 claims. In response to a question on the council's interests, members noted that EDDC had other financial interests, such as STRATA, Exeter Science Park and LED. Simon Davey, Strategic Lead – Finance, agreed to investigate whether EDDC had any continuing financial liability for the Beehive Centre, Honiton.

Members of the Committee wished to raise the issue of fees for consultants and requested that this issue should go on the Committee Forward Plan for June 2015.

RESOLVED:

1. that the contents of the Audit Plan/Audit Committee update be noted;
2. that discussion on fees for consultants should be placed on the Committees Forward Plan for June 2015;
3. that the Strategic Lead – Finance check any EDDC continuing financial liability for the Beehive Centre, Honiton

***50 Continuing to deliver value to East Devon District Council**

Barrie Morris of Grant Thornton presented a Briefing on 'Continuing to deliver value to East Devon District Council'. He wished to emphasis that the Council was a valued client of his firm and wished to emphasis this by proposing to undertake an independent client service review with the Council in the coming year. He asked for any feedback from the Committee or Council colleagues on areas we believed Grant Thornton could have improved its service.

Barrie Morris, Grant Thornton also summarised the services provided to the Council during the year and demonstrated how he felt that the firm had added value through the work they did with us. This was against a background of significantly reducing fees from Grant Thornton. He considered that local authorities, particularly District Councils, had responded very well to the financial challenges presented to them.

The Chairman wished to thank the external auditors for their report and their support of the Council's improvement.

RESOLVED: that the report be noted.

***51 EDDC Annual Internal Audit Plan for 2015-16**

Members considered the report of Andrew Ellins, Audit Manager, SWAP, on the EDDC Internal Audit Plan for 2015-16. As a key element of its governance arrangements the Council has a partnership arrangement with South West Audit Partnership to deliver an annual audit plan. The Audit Manager for SWAP, together with the Councils S151 Officer in consultation with the Senior Management Team had produced an Audit Plan for 2015-16 that required the approval of the Committee. Approval of this Audit Plan was a key role for the Committee.

Members noted that the Audit Plan had reduced the number of audit days from 400 to 376, but there were still 30 audit days allocated for ICT audits. Honiton Town Council had appointed SWAP to carry out an audit of the Beehive in the current year.

Councillor Geoff Pook asked whether there was a function for Audit & Governance to compare officers' reports in detail and whether they were giving Councillors enough information to make a worthwhile judgement on issues, particularly on complicated planning applications. He also asked whether SWAP could consider this as an issue in its Audit Plan, along with previously raised issues of fees for consultants to see if this was achieving best value for the Council.

RESOLVED:

1. that the Internal Audit Plan of 376 days for April 2015 to March 2016 be approved, subject to any potential changes made at the June 2015 Audit & Governance Committee;
2. that the Internal Audit Plan 2015/16 include consideration of the value of Consultants Fees and also whether members were receiving the right level of detail and information in officer reports to make worthwhile decisions;

***52 Statement of Accounts 2014/15 – updating of the Explanatory Forward and additional policy relating to Group Accounting**

Members considered the report of the Financial Services Manager with details of an additional accounting policy and information in the explanatory foreword and statements for the Members to consider relating to Group accounting.

Resulting from the implementation of STRATA, the shared IT service with Exeter City Council and Teignbridge District Council, EDDC must now produce annual Group Accounts. This required a paragraph in the Explanatory Forward, an additional Group Accounts policy and Group Information in the Statement of Accounts. There were no

changes required to the existing accounting policies. As it was considered best practice for the Audit & Governance Committee to approve the accounting policies to be adopted before the preparation of the accounts, the new policy was presented for members' consideration.

RESOLVED: that the additional Accounting policy on Group accounts be approved.

***53 Risk Management Review**

Members considered the report of the Management Information Officer; the Committee monitored high strategic and operational risks outside the bi-annual reporting. This followed a review of risks focusing on high risks by responsible officers to the end of January 2015.

It was noted that since the loss of the supporting people contract there were no risks that were considered high. The lack of a 5 year land supply was only considered to be an upper medium risk by the risk holder.

A full risk review would be undertaken in April and discussed at the June meeting of the Committee.

The Chairman thanked the Management Information Officer for her report.

RESOLVED: that the current status of the high risks until April 2015 be noted; a full risk review would then be undertaken and reported back to the Committee.

***54 Strategic Planning Policy**

Members noted that a draft report to the Committee had been prepared on the issue of Strategic Planning decision making, however officers were awaiting legal advice on the route that this should take through the Council's committee's before the report could be published. In light of this a verbal update on the assessment was given. Officers started by considering what was actually strategic, and considered that matters associated with the Local plan and the production of Development plan documents would be strategic but that in terms of applications only those for 50 dwellings or more and 5000sqm of industrial floor space would be strategic. The potential options considered in the report were:

- to transfer responsibility for Strategic Planning Policy to Cabinet – Legal advice was that planning application decisions had to be made by a specially constituted committee for this purpose and could not be made by an Executive Board and therefore this option had been dismissed. This was to prevent conflicts with other issues that the Cabinet would be considering given that planning applications had to be considered on their planning merits alone.
- Appointment of a new Strategic Planning and Development Committee to deal with strategic planning issues under the Chairmanship of the Strategic Development and Partnerships Portfolio Holder. This raised capacity issues for the Democratic Services section but would allow for appropriate separation and if appropriately constituted could comprise Members of both Development Management Committee and Cabinet to provide the required expertise.
- An option for Call-in of decisions of Development management Committee to Cabinet was considered by and raised the same concerns as Cabinet themselves considering planning applications.
- No change at all.

In officers opinion the appointment of a separate Strategic Planning and Development Committee would be the best option, potentially with quarterly meetings and special meetings being held when required.

Councillor Tony Howard considered that the Committee should be discussing putting in suitable officer resources to deal with strategic planning issues, including improving IT system and following best examples – Teignbridge District Council. It was important that EDDC had a 5 year land supply. Ed Freeman, Strategic Lead - Planning Strategy and Development Management, reported that as soon as the Local Plan was approved then the Council would have a 5 Year Land Supply and this risk would be mitigated.

Members acknowledged the importance of continuing to monitor the 5 year land supply and Ed Freeman reported that he was in the process of appointing a Development Monitoring Officer, part of whose role would be to monitor the Council's 5 Year Land Supply. Once adopted, the Local Plan would also be continually monitored and updated.

RESOLVED: that the report be noted.

55 Outcome of Office of Surveillance Commissioner Inspection, Regulation of Investigatory Powers (RIPA) annual report and RIPA policy update

The Committee received the report of the Corporate Legal and Democratic Services Manager on the outcome of Office of Surveillance Commissioner Inspection, Regulation of Investigatory Powers Act (RIPA) annual report and RIPA policy update. It was noted that no RIPA authorisations had taken place in the last year. Corporate training for authorising officers took place on 6 November 2013. Members were advised that new OCS guidance had been received in the past week which had been included in the resolutions below.

RESOLVED: 1. that the positive inspection report be noted and the implementation of the Office of the Surveillance Commissioner's recommendations be endorsed;

2. that the Regulation of Investigatory Powers Act (RIPA) Co-ordinating Officer's annual report be received;

RECOMMENDED. that approval be given to the minor amendments to the RIPA policy including guidance on the use of social networking sites for investigative purposes in connection with crime prevention or detection, this should include part of the standard operating procedure to take account of the new OCS advice.

***56 Audit and Governance Forward Plan**

The Committee noted the contents of the Forward Plan for 2015/16, which was updated during the meeting.

Members expressed a concern that the LED takeover of the Ocean Blue Bowling Building would represent a risk to the Council and were concerned that this be closely monitored. Andrew Ellins, SWAP reported that audit days had been allocated to LED in the 2015/16 Audit Plan.

Items to be considered at the June and subsequent Committee meetings included:

- Review of Internal Audit
- Strategic Planning policy update
- Internal Audit Activity – Quarter 1 2014/15

- Revenue and Capital Outturn Report 2014/15
- Annual Audit Report and Opinion
- Draft annual governance statement
- Office relocation project update
- Audit Committee update
- 5 year land supply update
Risk Management Review
- Discussion on fees for consultants
- 2015/16 Audit Fee letter - KPMG

RESOLVED: that the updated Forward Plan be noted.

Attendance list

Present:

Councillors

Ken Potter (Chairman)

Bob Buxton

Steve Gazzard

Steve Hall

Tony Howard

Geoff Pook

Apologies:

Peter Bowden

Roger Boote

David Cox

Officers:

Simon Davey, Strategic Lead - Finance

Richard Cohen, Deputy Chief Executive

Ed Freeman, Strategic Lead - Planning Strategy and Development Management

Joanne Avery, Management Information Officer

Laurelie Gifford – Financial Services Manager

Chris Lane, Democratic Services Officer

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

Barrie Morris, Senior Audit Manager, Grant Thornton

Ashley Allen, Senior Audit Manager, Grant Thornton

Chairman Date.....