

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Audit & Governance Committee held in the Council Chamber at Knowle, Sidmouth on 24 September 2015**

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

The meeting started at 2.30pm and ended at 4:25pm

#### **\*15 Chairman's welcome**

The Chairman welcomes everyone to the meeting.

#### **\*16 Public Speaking**

There was no public speaking.

#### **\*17 Minutes**

The minutes of the Audit and Governance Committee meeting held on 25 June 2015 were confirmed and signed as a true record.

#### **\*18 Declarations**

None

#### **\*19 Statement of Accounts 2014/15 and Governance Statement**

The Financial Services Manager read the Council's Statement of Accounts for 2014/15. Following the audit, some changes had been made to improve the presentation of the Accounts but no amendments had affected the Council's reported financial position. A report by the Council's external auditors Grant Thornton detailed the work carried out and the audit conclusions.

The report compared the final position on the Council's Accounts with the position presented to members in June in the Outturn Report.

##### **a) Financial Statements**

The Audit and Governance Committee had delegated responsibility to approve the Statement of Accounts. The Financial Services Manager outlined the detail of the Accounts and highlighted key financial points.

##### **b) Annual Governance Statement**

The Council was required to approve an Annual Governance Statement to accompany the Statement of Accounts. The report detailed the processes in place within the Council's governance framework and in compliance with its adopted Code of Corporate Governance. The Statement highlighted a number of issues identified, including;

- The Audit and Governance Committee continued to keep an eye on the process to be put in place in order to regularly monitor a 5-year land supply for strategic planning purposes.
- In 2014/15 the Council was involved in two significant projects which had associated risks; office relocation and the proposal for an ICT shared service arrangement with Exeter City Council and Teignbridge District Council.
- The 2013/14 Grant Thornton Audit Finding Report included three recommendations on the Council's asset valuation process. These had been addressed in the preparation of the 2014/15 Accounts.

- Recent Tribunal / ICO decisions have highlighted the impact to the Council of increasing Freedom of Information requests and the ability to deal with these requests in a timely manner.
- Council members and officers had been continually updated and advised on the implications of reviews of the effectiveness of the Council's systems of internal control. Plans had been devised and put in place to ensure continuous improvement.

**c) Letter of Representation**

Members were asked to endorse the letter to Grant Thornton in respect of the audit of the Financial Statements for the year ended 31 March 2015 confirming the Council's position, documents produced and the sound processes in place.

**d) Report to those charged with Governance**

Barrie Morris, Grant Thornton, presented the Council's external audit report, which highlighted key issues arising from the Council's financial statements for the year ending 31 March 2015. This set out the adjustments and corrections made to the Council's accounts because of the audit and a proposed plan of recommendations for further improvement. The Chairman asked that a report be provided by the Strategic Lead Finance on the 'significant matter' of cash in transit.

Grant Thornton, based on their work and having regard to the specified criteria published by the Audit Commission, had concluded that the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015. Barrie stated how impressed he was with the way local government; nationally and locally, was coping with the financial pressures they find themselves in. He praised East Devon District Council for being innovative by identifying ways to ensure it had a strong future.

Discussions on the sickness absence included the provision of flu jabs offered to staff.

The Chairman thanked Barrie for his report.

**e) Assessment of Going Concern Status**

This report informed the Committee of an Assessment of the Council as a 'going concern' for the purposes of producing the Statement of Accounts for 2014/15. The concept of a '*going concern*' assumes that an authority, its functions and services would continue in operational existence in the near future.

The main factors which underpin this assessment were:

- The Council's current financial position
- The Council's projected financial position
- The Council's governance arrangements
- The regulatory and control environment applicable to the Council as a local authority.

**RESOLVED:**

1. that Members approve the 2014/15 Statement of Accounts.
2. that the outcome of the assessment made of the Council's status as a 'going concern' for the purposes of the draft Statement of Accounts 2014/15 be noted.

**\*20 Internal Audit Plan – Review of 2015/16 Quarters 1 & 2 - SWAP**

Members considered the report of the Principal Auditor (SWAP). The Committee agreed the 2015/16 Internal Audit plan at its June 2015 meeting. This report was the update position at the end of Quarters 1 and 2.

The Chairman thanked Moya for her report.

**RESOLVED:**

that the content of the Internal Audit Progress Report be noted.

**\*21 Partnership Review Year end 2014/1**

The Partnership Review information for the 2014/15 financial year allowed the Committee to monitor the status of partnerships. This followed the year-end officers' review of partnerships for 2014/15.

There are currently 13 partnerships. All the partnerships were active and met at least three times annually, some more often. There were no major current budget issues with any of the partnerships although most received some funding from EDDC.

**RESOLVED:**

that the current status of partnerships until March 2015 be noted.

**\*22 Analysis of consultants' fees 2014/15**

The report detailed capital and revenue spend on consultants and specialist advice for 2014/15. Discussions included the possible recruitment of officers with specialist knowledge in order to cut costs of using consultants.

**RESOLVED:**

that the details of expenditure on consultants in 2014/15 be noted.

**\*23 5-Year Land Supply update**

The Chief Executive highlighted the report and the outlined methodology used to calculate the Council's five-year housing land supply position, detailing what evidence and information was used to inform the assessment and how it was calculated. The report explained the recent change in position; a 5-year land supply could now be demonstrated. The report considered the implications of this change in position and the current and future reporting and responsibility arrangements within the current structure.

There was positive feedback by members for this report. They wished to thank Ed Freeman, Service Lead, Planning Strategy and Development for his thorough report which contained a wealth of quality information.

**RESOLVED:**

1. that the summary of the methodology used to calculate the 5-year housing land supply position be noted.
2. that the proposed reporting arrangements detailed in the report be agreed.
3. that the appended Housing Monitoring Report which demonstrated the current data showed that the Council could demonstrate a 5-year housing land supply be noted.

4. that members acknowledge that the current 5-year housing land supply position was a material consideration, and that the local plan inspector was currently considering the SHMAA be noted.

**\*24 Audit and Governance Forward Plan**

Members noted the contents of the Committee Forward Plan for 2015/16.

**RESOLVED:**

that the Forward Plan be noted.

**Attendance list**

**Present:**

Councillors

Mark Williamson (Chairman)

Dean Barrow (Vice Chairman)

John Dyson

Steve Gazzard

Steve Hall

Ben Ingham

Bill Nash

Geoff Jung

David Barrett

**Apologies:**

Cllr Paul Diviani

Cllr Andrew Moulding

Cllr Ian Thomas, Portfolio Holder Finance

Beth Levi, Management Information Officer

**Officers:**

Mark Williams, Chief Executive

Simon Davey, Strategic Lead – Finance

Laurelie Gifford, Financial Services Manager

Amanda Coombes, Democratic Services Officer

Moya Moore, Principal Auditor, South West Audit Partnership (SWAP)

Barrie Morris, Director, Grant Thornton

Ashley Allen, Senior Audit Manager, Grant Thornton

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