

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Audit & Governance Committee held in the Council Chamber at Knowle, Sidmouth on 18 January 2018

Attendance list at end of document

The meeting started at 2.30pm and ended at 3.10pm.

***37 Chairman's welcome**

The Chairman welcomed everyone to the meeting.

***38 Public Speaking**

There were no members of the public present.

***39 Minutes**

The minutes of the Audit and Governance Committee meeting held on 16 November 2017 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.

***40 Declarations of Interest**

There were no declarations of interest.

***41 Internal Audit Activity – Quarter 3 2017/18**

Following the recent collapse of Carillion, members sought reassurance on financial resilience of the council's contractors, and the measures in place to mitigate any risks. It was reported that Senior Management Team would be checking the record of all the council's key partners and contractors, and what the mitigations were. It was noted that most contracts worked on a partnership approach, with regular monitoring meetings, contingency plans and safeguarding policies that were appropriate to the contract.

Georgina Teale, Senior Auditor, SWAP gave a verbal update to the Committee on internal audit activity for quarter 3 2017/18. The Committee agreed the 2017-18 Internal Audit Plan at its March 2017 meeting. The report provided an update on the 2017/18 Internal Audit Plan Quarter 3. It was important that Members were aware of the status of all audits as this information helped place reliance on the work of the Internal Audit and its ability to complete the plan as agreed. Primarily the work included:

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

There were no 'Partial Assurance Opinion' audits or significant corporate risks identified in this quarter. However, there had been two substantial assurance opinions, which was positive to note. Overall, the report was very positive, with recommendations being implemented.

An update was given on the Data Protection risk, identified as significant in the quarter 4 2016/17 internal audit. Recommendations had been made and it was hoped that this risk would be 100% complete by the next meeting of the Audit and Governance

Committee. It was noted that all listed quarter 4 audits would be completed. It was suggested that including start and end dates for the audits in the table would be useful.

RESOLVED:

that the content of the Internal Audit report be noted.

***42 Audit Committee Progress report**

Rob Andrew, Manager, KPMG provided the Committee with an overview on progress in delivering their responsibilities as the external auditors. It was noted one error had been found in the grant claims report. This has been highlighted to the DWP so that the claims could be issued.

The Chairman thanked Rob Andrews, on behalf of the Committee for his report.

RESOLVED:

that the content of the progress report be noted.

***43 Certification Report**

Public Sector Audit Appointments required its external auditors to prepare an annual report on the claims and returns certified for each audited body. This letter was the annual report for the certification work KPMG had undertaken for 2016/17.

In 2016/17 KPMG carried out certification work on only one grant claim, the Housing Benefit Subsidy claim. The certified value of the claim was £31.548 million, the work was completed and the claim certified on 30 November 2017.

RESOLVED:

that the certification work be noted.

***44 Risk Management half year review**

The report by the Management Information Officer provided Risk information for November 2017/18 financial year to allow the Committee to monitor the risk status of Strategic and Operational Risks. This follows the full review of risks by responsible officers during November 2017.

The Strategic Lead – Finance advised the Committee that the report highlighted one risk that scored as high. This was lack of funding to enable the delivery of required infrastructure through lack of sufficient income from the Community Infrastructure Levy (CIL) and that this holds up development. A report on this would be provided at the next meeting of the Audit and Governance Committee.

It was noted that the risk register process was up to date and taken seriously by managers. Apart from CIL, there were no major areas for concern in the risk register.

RESOLVED:

that the half year review be noted.

***45 Surveillance Commissioner's Report**

The Strategic Lead Governance and Licensing provided a strategic oversight of the Council's RIPA (Regulation of Investigatory Powers Act) function in order to update Members following receipt of the Investigatory Powers Commissioners Report and to seek adoption of the revised Policy.

RESOLVED:

1. that the report and actions being taken to address the Recommendations of the Investigatory Powers Commissioners Report be noted, and
2. that the revised RIPA Policy contained in Appendix A be approved and adopted.

***46 Audit and Governance Forward Plan**

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

Items to be considered at the March 2018 committee included:

- Annual Audit Plan 2018/19
- External Audit Plan
- Audit Committee update
- Accounting Policies Approval
- CIL Methodology update
- Early closure of 2017/18 Accounts

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
Rob Longhurst

Cllr Paul Diviani - Leader
Cllr Ian Thomas - Portfolio Holder Finance
Cllr Phil Twiss – Deputy Leader

Apologies:

Bill Nash
Cherry Nicholas
Ben Ingham

Officers present:

Simon Davey, Strategic Lead – Finance
Henry Gordon Lennox, Strategic Lead - Governance and Licensing
Mark Williams, Chief Executive
Alethea Thompson, Democratic Services Officer

Rob Andrews, Manager, KPMG
David Hill, Executive Director, SWAP
Georgina Teale, Senior Auditor, SWAP

Chairman Date.....