

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Audit & Governance Committee held in the Council Chamber at Knowle, Sidmouth on 26 July 2018**

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

The meeting started at 11.30am and ended at 2.30pm

**\*1 Chairman's welcome**

The Chairman welcomed everyone to the meeting. The Chairman welcomed Councillor John Dyson in his new role as Vice Chairman.

**\*2 Public Speaking**

There were no members of the public wishing to speak.

**\*3 Minutes**

The minutes of the Audit and Governance Committee meeting held on 15 March 2018 were confirmed and signed as a true record.

**\*4 Matters arising**

None

**\*5 Declarations of Interest**

None

**\*6 Internal Audit Annual Opinion Report 2017/18**

David Hill, Executive Director SWAP presented the report, which provided Internal Audits overall opinion on the systems of internal control at East Devon District Council. The Audit and Governance Committee agreed the 2017/18 Internal Audit Plan at its March 2018 meeting. SWAP considered the balance of audit work in 2017-18 and the assurance levels provided, profile of each audit and outcomes together with the response from Senior Management and offered 'Reasonable Assurance' in respect of the areas reviewed during the year.

SWAP had found Senior Management of the Council to be supportive of their findings and responsive to the recommendations made.

**RESOLVED:**

that the content of the Internal Audit Annual Report and Opinion be noted.

**\*7 Review of Internal Audit Charter 2018/19**

SWAP worked to the Standards of the Institute of Internal Auditors, and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). The internal audit service, SWAP worked to a charter that defines its roles and responsibilities and the roles and responsibilities of the District Council's managers. Best Practice in corporate governance required that the charter be reviewed and approved annually by the Audit and Governance Committee. The Charter was last reviewed by the Committee on 29 June 2017.

**RESOLVED:**

that the Internal Audit Charter 2018-19 be approved.

**\*8 Internal Audit Activity – Quarter 1 2018/19**

The Audit and Governance Committee agreed the 2018-19 Internal Audit Plan at its March 2018 meeting. David Hill, SWAP stated the report provided an update on the 2018/19 Internal Audit Plan (Quarter 1), with progress towards the annual plan.

Internal Audit provided an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. 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

**RESOLVED:**

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

**\*9 External Audit Report 2017/18**

Rob Andrews, Manager from KPMG summarised the key findings in relation to the 2017-18 external audit (Audit Standards ISA260 report). The report focused on the on-site work which was completed in March and June 2018 on the Authority's significant risk areas, as well as other areas of its financial statements, and the control environment in place to support the production of timely and accurate financial statements.

It was stated the Accounts were published within in the new deadline of 30 May and all supporting papers were ready and available for the commencement of the audit. Specific note was made in the report on the good quality of working papers with clear audit trails. The audit was now complete and an unqualified audit opinion on the accounts would be issued.

KPMG concluded that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The auditor therefore issued an unqualified value for money opinion. The Portfolio Holder Finance stated that both reports showed the Council was doing well with continuous improvements

The Chairman wished to thank KPMG colleagues for their clear and precise report.

**RESOLVED:**

that the report be received and noted.

**\*10 Statement of Accounts 2017/18 including Governance Statement**

The Strategic Lead, Finance presented Statement of Accounts for 2017/18 highlighting the main financial statements and financial position of the Council including the reserve levels held by the Council. A number of questions from the Committee were answered during this review.

The financial position presented in the Accounts was the same position to that presented to Cabinet in May with no changes made as a result of the completion of the Accounts or from the Audit.

**Governance Statement**

The Accounts & Audit (England) Regulations 2015 required the Council to prepare and publish an annual governance statement. This was a public document that reported on the extent to which the council complied with its own code of corporate governance. The Annual Governance Statement explained how the council makes decisions; managed its resources in line with the council's priorities; and achieved the required outcomes for service users and communities.

The Chairman thanked the Strategic Lead, Finance and his colleagues in Finance for producing the accounts which had received an excellent external audit report.

**RESOLVED:**

that the 2017/18 Statement of Accounts including the Governance Statement be approved.

**\*11 Letter of Representation**

Members were asked to note the letter to KPMG in respect of the audit of the Financial Statements for the year ended 31 March 2018 confirming the council's position, documents produced and the sound processes in place.

**RESOLVED:**

that the letter be noted.

**\*12 Risk Management Review**

Risk information for the 2018/19 financial year was supplied to allow the Committee to monitor the risk status of Strategic and Operational Risks. This followed the full review of risks by responsible officers during May 2018.

The Chairman wished to thank the Management Information Officer for her detailed report.

**RESOLVED:**

that the report be noted.

**\*13 RIPA update**

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

**\*14 Audit and Governance Forward Plan**

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

Items to be considered at the September 2018 committee included:

- Annual audit letter
- Certification Report
- RIPA update
- Expenditure on consultants and agency staff 2017/18
- Report on outcomes against the Corporate Counter Fraud and Compliance strategy

**RESOLVED:**

that the Forward Plan be noted.

**Attendance list**

**Councillors:**

Mark Williamson (Chairman)  
John Dyson (Vice Chairman)  
John Humphreys  
Bill Nash  
Cherry Nicholas  
Ben Ingham  
Rob Longhurst  
Simon Grundy

Dean Barrow - Portfolio Holder Finance

**Apologies:**

Steve Hall  
Steve Gazzard

**Officers present:**

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

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

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