

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Audit and Governance Committee held at Council Chamber, Knowle, Sidmouth on 31 January 2019

Attendance list at end of document

The meeting started at 2.40pm and ended at 4.00 pm

36 Public speaking

There were no members of the public wishing to speak.

37 Minutes of the previous meeting

The minutes of the Audit and Governance Committee meeting held on 29 November 2018 were confirmed and signed as a true record.

38 Declarations on interest

Councillor John Dyson, Minute 43; personal interest - has shares in Persimmon PLC and is a member of a Sidmouth committee; for the benefit of the town, which also has shares in Persimmon PLC.

39 Matters of urgency

None

40 Internal Audit Activity- Quarter 3 2018-19 - SWAP

Alastair Woodland, Assistant Director SWAP reminded members that the Audit and Governance Committee agreed the 2018-19 Internal Audit Plan at its March 2018 meeting. The report was to provide an update on the 2018/19 Internal Audit Plan as at 10 January 2019.

The Strategic Lead Housing & Environment answered a question raised by the Committee on the Housing Maintenance Invoicing report which received a Partial Opinion from SWAP.

RESOLVED:

that the Internal Audit Progress Report be noted.

41 External Audit Plan - Grant Thornton

Geri Daly from Grant Thornton, presented the External Audit report which provided the Audit Committee with an overview on progress in delivering their responsibilities as the external auditors. The scope of the audit was set in accordance with the Code and International Standards on Auditing (ISAs) (UK). Grant Thornton was responsible for forming and expressing an opinion on the following;

- EDDC's financial statements that had been prepared by management with the oversight of those charged with governance (the Audit and Governance Committee); and

- Value for Money arrangements in place at the Council for securing economy, efficiency and effectiveness in its use of resources.

The Chairman welcomed Geri and Grant Thornton as the Council's new external auditors.

RESOLVED:

that the content of the External Audit Plan be noted.

42 **External Audit Progress report and update - Grant Thornton**

Grant Thornton stated they had begun its planning processes for the 2018/19 financial year audit. The interim audit visit was planned for February. They would also;

- continue to hold regular discussions with management to inform their ongoing risk assessment for the 2018/19 financial statements and value for money conclusion work;
- consider the impact of Brexit on their audit work including on the valuation of property assets and the Council's pension liability;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that they capture any emerging issues and consider these as part of audit plans.

RESOLVED:

that the progress report be noted.

43 **Risk Management review; half year 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 November 2018

Discussions included the following:

Axminster Relief Road Scheme

- Concerns with over-exposure for the £7m funding for the Axminster Relief Road, as a large liability to the Council.
- This would be in advance of the promised Government funding of £10m for the scheme therefore mitigating the risk.

Community Infrastructure Levy (CIL)

- Concerns over the lack of income from the Community Infrastructure Levy (CIL) with the suggestion that this would be covered by the pooling of S106 restrictions being lifted.
- To mitigate the risk, control mechanisms such as the Regulation 123 list, the control the Planning committee has over approving schemes, having a 5-year land supply as well as leveraging funding from outside bodies all deal with controlling any risk.

RESOLVED:

that the current status of risks following the full risk review undertaken in November 2018 be noted.

44 **Review of the Anti-Fraud Theft and Corruption Policy, Anti-Bribery Policy and Whistleblowing Policy**

The Council's Anti-Fraud Theft and Corruption, Anti-Bribery and Whistleblowing Policies required reviewing. Having reviewed the policies the recommendation was that they all remain fit for purpose and therefore no amendments were required.

RESOLVED:

that following review the following policies;

- (i) Anti-Fraud, Theft and Corruption Policy
- (ii) Anti-Bribery Policy
- (iii) Whistleblowing Policy

remain fit for purpose and would continue to apply unchanged. They would be reviewed again in three years' time or earlier if circumstances require, be agreed.

45 **Review of the Local Code of Corporate Governance**

The Strategic Lead Governance and Licensing & Monitoring Officer's report highlighted the Council's Code of Corporate Governance, which set out the overarching approach to the Council's corporate governance arrangements, and was adopted by Cabinet in December 2016 and was now due for review. It was a requirement of the Constitution that Cabinet consult with Audit & Governance in relation to the approval, implementation and monitoring of the Code of Corporate Governance. Having reviewed the Code, it was recommended to the Committee that they recommend to Cabinet to continue to use the current Code unchanged with a further review in two years' time.

RECOMMENDED:

That the Committee recommend to Cabinet that the current Local Code of Corporate Governance should continue without amendment and be reviewed again in two years' time, unless circumstances require an earlier review.

46 **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.

47 **Audit and Governance Forward Plan**

Members noted the contents of the Committee Forward Plan for 2018-19.

Items to be considered at the March committee included:

- Annual Audit Plan 2019/20
- External Audit Plan
- Audit Committee update
- Accounting Policies Approval
- RIPA update
- Report on outcomes against the Corporate Counter Fraud and Compliance strategy

Attendance List

Councillors present:

M Williamson (Chairman)
J Dyson (Vice-Chairman)
S Gazzard
S Grundy
S Hall
B Ingham
R Longhurst

Councillors also present (for some or all the meeting)

I Hall

Officers in attendance:

Mark Williams, Chief Executive
Simon Davey, Strategic Lead Finance
John Golding, Strategic Lead Housing, Health and Environment
Henry Gordon Lennox, Strategic Lead Governance and Licensing
Amanda Coombes, Democratic Services Officer

Alastair Woodland, Assistant Director SWAP
Georgina Teale, Senior Auditor SWAP
Geri Daly, Associate Director

Councillor apologies:

J Humphreys
C Nicholas

Chairman

Date: