

WEST DEVON AUDIT COMMITTEE



West Devon
Borough
Council

Minutes of a meeting of the **West Devon Audit Committee** held on **Tuesday, 19th July, 2016 at 10.00 am** at the **Chamber - Kilworthy Park**

Present: **Councillors:**

Chairman Cllr Davies
Vice Chairman

Cllr Jory
Cllr Cann OBE

Cllr Stephens
Cllr Yelland

In attendance:

Councillors:

Cllr Edmonds

Officers:

Lisa Buckle
Brenda Davis
Sophie Hosking

Section 151 Officer
Executive Director

10. **Apologies for absence**

***AC 10**

Apologies for absence were received from Cllrs L Watts & J B Moody and representatives from KPMG (the Council's External Auditors). The meeting proceeded to note that Cllr Yelland (for Cllr Watts) and Cllr Cann OBE (for Cllr Moody) were acting in the capacity of Substitute Members for this meeting.

11. **Confirmation of Minutes**

***AC 11**

The Minutes of the Meeting held on 5 July 2016 were confirmed and signed by the Chairman as a correct record.

12. **Draft Statement of Accounts**

***AC 12**

In his capacity as Lead Hub Committee Member for Support Services, Cllr Edmonds introduced the Draft Statement of Accounts.

The Section 151 Officer then took Members through the key points within the Narrative Statement. The Council's Accounts for 2015-16 reported an underspend of £32,000, meaning that actual spend for the year was 0.4% less than the Budget set. Answering concerns in regard to pension liability after Brexit, the S151 Officer explained that the Council would be in a better position to confirm what the percentage payable by the employer for employers' pension's contributions would be by December 2016. This was following results of the Triennial Pension Revaluation which took place in March 2016.

Currently, the percentage payable was 25.8% and it was possible that Devon County Council might look to review the strategy of the investment of pension fund money.

Furthermore for West Devon's own position, it was possible that the payback period for the recovery of the deficit could be extended to 25 years as an option for the Council to consider (NB it was currently 20 years). Twenty five years was the Fund average deficit recovery period.

In regard to Business Rates, the S151 Officer reiterated that the Council needed to be mindful of being in the safety net position within the pool, but she felt assured that West Devon would not be in the same position next year as this was mainly due to the increase in the provision for business rates appeals.

During discussions, several questions were raised by Members. The S151 Officer gave an update on several prospective tenants looking to utilise space at Kilworthy Park. In addition, an agent had also been commissioned to assist in promoting the office space.

In regard to the payable payment period, the S151 Officer stated that 84% of invoices had been paid within 30 days.

In response to a Member question, the Accountant Business Partner reported that debt over more than one year old had increased from £130,000 (March 2015) to £164,000 (March 2016). However, overall debt had fallen from £466,000 (March 2015) to £264,000 (March 2016). It was noted that the long term debt was harder to recover than short term debt.

In answer to agency staffing costs, the S151 Officer explained that the £215,000 of unused New Homes Bonus grant funding would be used to employ staff on a fixed term one year contract.

The S151 Officer informed that there was £30,000 set aside in a reserve for homelessness cases and that this reflected an increase in demand due to the benefit cap.

Member expenses were discussed and an overall increase of £10,000 was noted due to an independent review carried out on Member allowances following the establishment of the Hub Committee.

In conclusion, the Chairman thanked The S151 Officer, The Accountant Business Partner and the finance team for their hard work.

It was then **RESOLVED** that the Audit Committee note the Draft Statement of Accounts together with the Technical Appendix for the financial year ended 31 March 2016

The Meeting concluded at 11.00 am

Signed by:

Chairman
