

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE  
HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 26 JULY 2018**

<b>Members in attendance</b> * Denotes attendance ∅ Denotes apology for absence			
∅	Cllr I Bramble	*	Cllr J A Pearce (Chairman)
*	Cllr J Brazil	*	Cllr J T Pennington (Vice-Chairman)
∅	Cllr T R Holway		

<b>Members also in attendance:</b>	
Cllr S A E Wright	

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Head of Paid Service; Section 151 Officer; Finance Community Of Practice Lead; Senior Specialist – Accountant; KPMG Representatives; and Senior Specialist – Democratic Services

**A.9/18 MINUTES**

The minutes of the meeting of the Committee held on 21 June 2018 were confirmed as a correct record and signed by the Chairman.

**A.10/18 URGENT BUSINESS**

The Chairman advised that she had no urgent items to be raised at this meeting.

**A.11/18 DECLARATIONS OF INTEREST**

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting, but none were made.

**A.12/18 ANNUAL STATEMENT OF ACCOUNTS 2017/18**

The Committee considered a report that presented the audited Statement of Accounts and the audited Annual Governance Statement for the financial year ended 31 March 2018.

In introducing the report, officers informed that there had been minimal changes made to the Statement of Accounts and the Annual Governance Statement following the completion of the audit work. For clarity, it was confirmed that these changes that had been made primarily related to the presentation and format of these documents.

In discussion, the following points were raised:-

- (a) Those Members in attendance reiterated their previous tributes to the achievements of the Finance Community Of Practice in meeting the requirement to publish the Council's Accounts a month earlier than in 2016/17;
- (b) Since it was not directly evident in the Accounts, a Member questioned how he would be able to ascertain the total expenditure that the Council had spent on obtaining consultant advice. In reply, officers advised that the Council did not have a budget for external consultancy and such detail would be part of the business case for each specific project;
- (c) In response to a request, officers agreed to write to colleagues at Devon County Council to gain a breakdown of the overseas equities asset allocation for pensions;
- (d) A Member highlighted the comments in the Accounts relating to some of the repair and maintenance costs being incurred due to the vandalism of public conveniences. As part of the current pay on entry for using public conveniences proposals, officers confirmed that the potential for increased vandalism costs had been factored into the business case.

It was then:

### **RESOLVED**

1. That the wording of the Letter of Representation (as set out in Appendix A of the presented agenda report) be approved;
2. That the audited Statement of Accounts for the financial year ended 31 March 2018 (as outlined in Appendix B of the presented agenda report) be approved; and
3. That the Annual Governance Statement post audit (as detailed in Appendix C of the presented agenda report) be approved.

A.13/18

### **EXTERNAL AUDIT ISA260 REPORT 2017/18**

The Committee considered a report that had been produced by KPMG that was entitled: 'External Audit ISA260 Report 2017/18'.

The KPMG representatives introduced the report and wished to pay tribute to the Finance Community Of Practice for their support and timely responses to questions and issues raised.

In discussion, the following points were raised:-

- (a) With regard to Housing Benefit controls, the Committee was reminded that the problems had now been resolved and reconciliations were up to date and reported to the Finance Community Of Practice Lead on a monthly basis;
- (b) Members noted that the section of the KPMG report on Value for Money Arrangements focused on whether or not the Council had adequate arrangements in place as opposed to whether or not the authority had achieved value for money. As with all other local authorities, the representatives had identified that the delivery of a balanced budget was the key risk. Having considered all of the processes that the Council had put in place, the representatives were of the view that these were fit for purpose;
- (c) A Member questioned the lack of reference in the report to those recent significant projects (e.g. One Council and the Local Authority Controlled Company) that had not materialised. In response, the representatives advised that the outcomes of such projects were considered and KPMG had recognised that the associated risks had been highlighted as part of the risk assessments for these projects. Furthermore, the representatives were satisfied that the Council had taken its decisions on these projects having weighed up all of those identified risks;
- (d) As had been raised at the previous Committee meeting (Minute A.4/18 refers), a Member again expressed his surprise that there was a lack of reference in the report to the intrinsic links between the financial standing of West Devon Borough Council and the inevitable knock-on effects to this Council. In response, the Section 151 Officer informed that this point would be reflected in the strategic risk assessment report that would be presented to the Audit Committee meeting to be held on 11 October 2018.

In conclusion, the Committee recognised that the Council would soon be working with a new External Auditor and Members therefore wished to put on record their thanks and best wishes to KPMG and its representatives who had developed excellent working relationships with both Members and officers.

It was then:

**RESOLVED**

That the content of the ISA 260 Report for 2017/18 be noted.

(Meeting commenced at 10.00 am and finished at 10.50 pm)

---

Chairman