

At a Meeting of the **AUDIT COMMITTEE** held remotely by Skype, on **TUESDAY** the **13th** day of **October 2020** at **2.00pm**

**Present:**

- Cllr M Davies (Chairman)
- Cllr P Vachon (Vice Chair)
- Cllr K Ball
- Cllr A Bridgewater
- Cllr M Renders
- Cllr P Ridgers
- Cllr J Yelland

**Officers in attendance:**

- Section 151 Officer
- Head of Finance
- External Auditors
- Democratic Services Manager
- Accountant Business Partners
- Senior Case Officer – Democratic Services

**Also in attendance:** Cllr C Edmonds

**\*AC 10 ITEMS REQUIRING URGENT ATTENTION**

There were no items requiring urgent attention raised by the Chairman.

**\*AC 11 CONFIRMATION OF MINUTES**

The Minutes of the Committee Meeting held on 21 July 2020 were confirmed as a correct record.

**\*AC 12 GRANT THORNTON (ISA260) REPORT ACCOUNTS – THE AUDIT FINDINGS FOR WEST DEVON BOROUGH COUNCIL**

The External Auditor introduced the agenda item and stated the impact that the Covid-19 Pandemic had on this year's audit. Timescales of the audit of accounts had been extended, as it had nationally. Some detail was still needed around pensions. An unqualified audit opinion was proposed on the financial statements. In relation to the 'land and buildings and investment property matter', a paragraph was included due to material uncertainty. He went on to explain this was consistent nationwide and related to the Covid-19 impact. An Unqualified Value for Money opinion was to be proposed.

In reply to a Member question, the Section 151 officer confirmed that there was no material uncertainty and so the accounts had been prepared on a going concern basis.

The External Auditor confirmed that the Council had a clean audit opinion on both the financial statements and the Value for Money conclusion. The Chairman thanked the finance team for their hard work.

It was then **RESOLVED** that:

The Grant Thornton Report Accounts be noted.

- \*AC 13 GRANT THORNTON REPORT – INFORMING THE AUDIT RISK ASSESSMENT FOR WEST DEVON BOROUGH COUNCIL 2019/20**  
The External Auditor took Members through the report. There were no questions from Members.

It was then **RESOLVED** that:

The Grant Thornton Report was noted.

- \*AC 14 GRANT THORNTON REPORT - COVID-19 AND LOCAL GOVERNMENT**

Confirming that Councils were facing difficulties in the Covid-19 Pandemic response and would continue to do so until recovery was in place, the External Auditor set out where the sector was in regard to the Pandemic. The S151 Officer, responding to a question, stated that additional grant funding was to be announced by the Chancellor but as yet no information about how it could be spent had been given. It was noted that £25,512 had been allocated for enforcement and compliance.

It was **RESOLVED** that:

The Grant Thornton Report be noted.

- \*AC 15 GRANT THORNTON REPORT – LOCAL GOVERNMENT AUDIT AND FINANCIAL REPORTING – THE REDMOND REVIEW**

The External Auditor introduced the Members to the report. As part of the Redmond Review, the July deadline was to move permanently to September. Recommendation that CIPFA will look to simplify the accounts.

A recommendation was also made for the audit fee to rise by 25%. The S151 Officer advised that providing extra statements to the accounts would be extra work for the team and she felt it was already covered within the Narrative Statement of the Accounts.

It was **RESOLVED** that:

The Grant Thornton Report be noted.

- \*AC 16 AUDITED STATEMENT OF ACCOUNTS 2019/20 AND ANNUAL GOVERNANCE STATEMENT 2019/20 (INCLUDING LETTER OF REPRESENTATION)**

Cllr Edmonds presented the Statement to the Committee. He thanked the finance team for their prudent management of the council's finances. He introduced and welcomed Clare Scotton as the new Business Partner within the finance team.

In discussion, a Member queried the 285% increase in cards payment fees. The S151 Officer confirmed the £20,000 additional cost was built into the base budget for next year.

The S151 Officer also stated that the dormant company, Servaco Ltd did not incur any costs apart from filing a set of accounts. She also confirmed that, due to Covid-19, there would be extra costs incurred for next year's elections. Costs would be largely recharged to the Police & Crime Commissioner's Office and Devon County Council.

A Member queried the reasons for Members' Allowances being higher. This was due to a pay award and also due to the fact that the previous Leader of the Council had also been the Chairman of the Development Management & Licensing Committee and could not claim two Special Responsibility Allowances. There were now two separate post holders to those two roles.

It was **RESOLVED** that the Committee approve:

1. The wording of the Letter of Representation (Appendix A);
2. The audited Statement of Accounts for the financial year ended 31 March 2020 (Appendix B); and
3. The Annual Governance Statement post audit (Appendix C).

**\*AC 17**

**ANNUAL TREASURY MANAGEMENT REPORT FOR 2019/20**

Cllr Edmonds introduced the Annual Treasury Management Report for 2019/20. In response to a member question asking about possible negative interest rates the S151 Officer stated that most of the council's investments are kept short apart from the £500,000 in CCLA. They would take advice from the Treasury Management advisors should this happen.

It was **RESOLVED** that:

1. The Audit Committee approved the actual 2019/20 prudential and treasury indicators in the report; and
2. Noted the Annual Treasury Management report for 2019/20

**\*AC 18**

**AUDIT COMMITTEE WORKPLAN**

The S151 Officer took Members through the latest version of the Workplan and it was agreed that a verbal Health & Safety update would be considered at the Audit Committee meeting in February 2021.

(The Meeting terminated at 3.35pm)

Dated this

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Chairman