

# **EAST DEVON DISTRICT COUNCIL**

## **Minutes of a Meeting of the Audit and Governance Committee held at Knowle, Sidmouth on 26 June 2008**

**Present:**

Councillors:

R Bloxham (Chairman)  
T J R Wood (Vice Chairman)  
  
D G Atkins  
D G Button  
C F A Gibbings  
K C Potter  
G Troman

**Also present:**

Councillors:

P Bowden - Member Champion for Risk Management  
A T Moulding - Portfolio Holder Resources

Kate Jefferies – Grant Thornton  
Barrie Morris – Grant Thornton

**Officers Present:**

Simon Davey – Head of Finance  
Christopher Holland – Democratic Services Officer  
Andrew Jarrett - Financial Services Manager  
Diccon Pearse – Corporate Director  
Mark Williams – Chief Executive

**Apologies:**

Councillors

R W Boote  
S C Luxton

The meeting started at 4.32 pm and ended at 6.42 pm

**\*1 Minutes**

The minutes of the meeting of the Audit and Governance Committee held on 27 March 2008 were confirmed and signed as a true record.

**\*2 Internal Audit and Risk Manager**

Members received the apologies of Tanith Cox, Internal Audit and Risk Manager who was absent due to personal circumstances. The Chairman, Committee and Officers wished her well and looked forward to seeing her back at work in the future.

**\*3 Exclusion of the Public**

**RESOLVED:** that the classification given to the documents to be submitted to the Board be confirmed and that the reports relating to exempt information be dealt with under Part B of the agenda.

**\*4 Fraud Investigations at East Devon District Council**

The Committee received a presentation from Roger Caudrelier, Contract Auditor. The presentation covered current procedures used by the Council to investigate fraud, theft and corruption and how the Internal Audit Service became involved. It also contained suggestions regarding what should happen in the result of fraud being detected.

**\*4 Fraud Investigations at East Devon District Council (cont'd)**

Members noted that the Council's Anti Fraud Policy was available for all to view on the Council's website but that it was not always followed strictly by Council sections. It was noted that the Council would benefit from the adoption of a Fraud Contingency Plan which would improve co operation between sections and Officers during an investigation and introduce a more modern approach to detecting and dealing with fraud.

Members noted that the Strategic Management Team supported the idea of a Fraud Contingency Plan. Support was voiced by members for the plan who also wished for regular reports to be made on any investigations to be made to the Audit and Corporate Governance Committee.

- RESOLVED:**
- 1) that the implementation of a Fraud Contingency Plan be further investigated
  - 2) that future investigations and activity relating to fraud be reported to the Audit and Corporate Governance Committee at regular intervals

**\*5 Interim Report for 2007/2008**

Members noted the Interim Report for 2007/08 presented by the external auditors, Kate Jefferies and Barrie Morris from Grant Thornton. It was noted that the report summarised their findings from their interim audit and was carried out in accordance with the 2007-08 Audit and Inspection Plan. Members noted that much of the work to date had been focussed on the accounts under the Code of Audit Practice.

Members noted that the interim report had highlighted delays and slippage with regard to the reporting from the Internal Audit Team. This had been due to the lack of resources within that section which was being addressed with the recruitment of two trainees and the use of agency staff.

The Chairman commented that many of the recommendations made in the report were already being advised and discussed by the Audit and Corporate Governance Task and Finish Forum.

- RESOLVED:**
- 1) that the report be noted
  - 2) that the 2008/09 cost to the authority of appointing two trainees to the Audit Team and use of agency staff be reported to the next meeting of the Committee

**\*6 Audit and inspection Plan for 2008/2009**

Members noted the Audit and Inspection Plan for 2008/09 presented by the external auditors, Kate Jefferies and Barrie Morris from Grant Thornton. It was noted that the plan set out audit and inspection work to be undertaken during the 2008-09 financial year.

The plan was based on the in the Audit Commission's risk based approach to audit planning and requirements of Comprehensive Area Assessment. The plan also looked at the role of the Audit and Corporate Governance Committee with regard to procedures and the monitoring of democratic effectiveness.

- RESOLVED:** that the report be noted

**\*7 Summary Annual Governance Statement**

Members gave consideration to the written report of Tanith Cox, Internal Audit and Risk Manager and the verbal update of Diccon Pearse, Corporate Director. The summary statement showed how the Council dealt with audit and governance issues seriously and demonstrated that it has procedures in place to maintain standards of quality and integrity.

**RESOLVED:** that the report be noted

**\*8 Statement of Accounts 2006/2007**

Consideration was given to the report of the Head of Finance regarding the Statement of Accounts 2007/08. The Audit and Governance Committee were required to approve the Council's Statement of Accounts prior to 30 June 2008, in order for them to be audited and published by 30 September.

It was noted that the 2006/07 accounts presented to the Committee on 28 June 2007 had been subjected to audit. The District Auditor gave a clear opinion on the accounts on 27 September 2007 with no amendments required.

Following detailed examination and scrutiny by the Committee, the unaudited Statement of Accounts for 2007/08 were signed by the Chairman.

- RESOLVED:**
- 1) that the Statement of Accounts for the financial year ending 31 March 2008 be approved.
  - 2) that the detailed calculation of the bad debt provision be reported to a future meeting of the Committee.

**\*9 Exclusion of the Public**

**RESOLVED** that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out in the agenda is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

**\*10 Report on theft of laptop**

Consideration was given to the report of the Head of ICT in response to a request from the committee to attend the meeting regarding the above issue. Members thanked the Head of ICT for attending the meeting. The Committee commented that they were keen to move on from the event and noted the measures had been taken and put in place to prevent any reoccurrences.

**RESOLVED:** that the report be noted

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