

South Somerset District Council

Minutes of a meeting of the **Audit Committee** held at the **Main Committee Room, Council Offices, Brympton Way, Yeovil BA20 2HT on Monday 29 September 2014.**

(10.00 - 10.50 am)

Present:

Members: Councillor Derek Yeomans (Chairman)

Ian Martin	Roy Mills
John Calvert	Colin Winder
John Dyke	
Tony Lock	

Officers

Anne Herridge	Democratic Services Officer
Donna Parham	Assistant Director (Finance & Corporate Services)
Amanda Card	Finance Manager
Karen Gubbins	Principal Accountant (Exchequer)

Also Present:

Simon Garlick	Grant Thornton
Peter Lappin	Grant Thornton
Tim Carroll	SSDC Councillor
Andrew Ellins	South West Audit Partnership

23. Minutes (Agenda Item 1)

The minutes of the meeting held on 28th August 2014, copies of which had been circulated, were taken as read and, having been approved as a correct record were signed by the Chairman.

24. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Cllrs Terry Mounter, David Norris and John Richardson.

25. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

26. Public question time (Agenda Item 4)

There were no members of the public present.

27. Date of the Next Audit Committee Meeting (Agenda Item 5)

Members noted that the next scheduled meeting of the Audit Committee would be held on Thursday 23rd October 2014.

28. Treasury Management Strategy Statement and Investment Strategy 2014/15 - Mid year review. (Agenda Item 6)

The Principal Accountant Exchequer presented the report as detailed in full in the agenda. She explained that there had been no major changes to the Treasury Management Strategy Statement and welcomed members comments.

In response to a question the Assistant Director–Finance and Corporate Services advised that SSDC now made more long term investments (for up to 5 years) which yielded a better return. In general these were for a period between 1 and 2 years rather than 5.

The Chairman thanked the officer for the comprehensive report.

RESOLVED: That the mid-year review of the Treasury Management Strategy be recommended to Council.

29. The Audit Findings Report (Agenda Item 7)

The Director - Grant Thornton presented the report that summarised the findings from the 2013/14 work of the Audit Commission relating to governance, as detailed in full in the agenda. He apologised for the delay in completing the report.

He pointed out that an objection to the accounts for 2013/14 had been received which related to the legal costs of a planning application and the renegotiation of another planning obligation. He explained that the audit could not be determined until the complaints had been dealt with, that in such cases the process can be expensive, lengthy and time consuming. The certificate closing the audit would therefore be delayed; however he expected to be able to give an unqualified opinion on the financial statements by the deadline of 30th September.

The Director - Grant Thornton explained the process of dealing with a complaint by a local authority elector, and in response to a question, he explained that it should not be assumed that the name of the complainant would be made public during the process and the total costs incurred would be reported at the end.

Reference was made to the 'amber' assessment regarding the authorities rolling programme of revaluations. Discussion ensued regarding the best way forward on this matter.

In response to a question about the reduction in the in-year collection rates of Council Tax for 2013/14, the Assistant Director (Finance & Corporate Services) explained that the figure was not a final figure and the arrears were still being collected. SSDC were not out of sync with the rest of the country as many Local Authorities had had a dip in their collection rates mainly due to the introduction of the Council Tax Reduction Scheme as

more people were now liable to pay council tax. The extra work involved also had an impact on the staffing levels.

One member questioned whether the lean process for the Revenues and Benefits Service had been cost effective. It was explained that there had been significant changes to the service since the lean review.

In conclusion the Chairman asked that extra resources were given to the Revenues and Benefits Service.

The Assistant Director (Finance & Corporate Services) confirmed that a report was due to be presented to Management Board regarding the request for extra resources within the Revenues and Benefits Service.

Members were content to approve the recommendations.

RESOLVED: That the Audit Committee:

1. Considered the matters raised in the report;
2. Noted the draft audit findings as outlined in Section 2 and the one adjusted error and amended disclosure within the Statement of Accounts
3. Noted the Value for Money criteria has been met.
4. Noted the additional fee of £900 would be charged
5. Agreed the recommended actions in Appendix A.

30. Summary Statement of Accounts 2013 -14 (Agenda Item 8)

(This Agenda Item was considered after Agenda Item 9 – Approve the Annual Statement of Accounts 2013-14.)

The Finance Manager presented the report requesting comments on the 2013/14 Summary of Accounts which would now be available on the Internet and at Local Council offices.

The Chairman commented that the Summary Statement of Accounts was now a simple, clear and easy to read document covering most aspects of the Council's 2013/14 Statement of Accounts.

Members were content that the 2013/14 Summary of Accounts be approved for publication.

RESOLVED: That the 2013/14 Summary of Accounts be approved for publication.

31. Approve Annual Statement of Accounts 2013-14 (Agenda Item 9)

(Audit Committee members considered Agenda Item 9, before Agenda Item 8 - Summary Statement of Accounts.)

The Finance Manager presented the 2013/14 Annual Statement of Accounts for approval by the Audit Committee.

In response to a question, the Finance Manager informed members that the deficit of £1.96million of retained business rates had been based on assumptions and due to the change in Government funding; the new system had been a steep learning curve. This year, there would, in all probability, be a surplus.

The Assistant Director Finance and Corporate Services reiterated the above point and further explained that the level of prospective business rate appeals had been an unknown entity and a reserve had been set up for that purpose.

Having examined the document and commented on the information presented, the 2013/14 Annual Statement of Accounts was approved by the Committee by the Chairman signing and dating the balance sheet.

The Chairman, on behalf of the Audit Committee, recognised the hard work and dedication of the small and competent Finance Team.

RESOLVED: That:

- (a) The 2013/14 Statement of Accounts be approved. (A copy of the Statement of Accounts had been circulated separately with the agenda.)
- (b) The unqualified opinion on the financial statements be noted.
- (c) The Assistant Director (Finance and Corporate Services) be authorised to sign the Letter of Representation.

32. Audit Committee Forward Plan 2014/15 (Agenda Item 10)

On reviewing the Audit Committee Forward Plan, a report was requested to update members on the Annual Fraud Programme and that an update should be included regarding the transfer of the majority of fraud work to the DWP.

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Chairman

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Date