

South Somerset District Council

Draft Minutes of a meeting of the **Audit Committee** held at the **Main Committee Room, Council Offices, Brympton Way, Yeovil BA20 2HT on Tuesday 26 July 2016.**

(10.00 am - 10.55 am)

Present:

Members: Councillor Derek Yeomans (Chairman)

Mike Beech	Graham Middleton
Mike Best	David Norris
Carol Goodall	Colin Winder
Tony Lock	

Officers

Donna Parham	Assistant Director (Finance & Corporate Services)
Karen Gubbins	Principal Accountant (Exchequer)
Jo Boucher	Democratic Services Officer

Also Present:

Elizabeth Cave	Grant Thornton
David Johnson	Grant Thornton

14. Minutes (Agenda Item 1)

The minutes of the meeting held on 30th June 2016, copies of which had been circulated, were taken as read, and having been approved as a correct record were signed by the Chairman.

15. Apologies for absence (Agenda Item 2)

Apologies for Absence were received from Councillors Jason Baker and Val Keitch.

16. Declarations of Interest (Agenda Item 3)

There were no Declarations of Interest.

17. Public question time (Agenda Item 4)

There were no members of the public present at the meeting.

18. Date of next meeting (Agenda Item 5)

Members noted that the date of the next Audit Committee would be held on Thursday 25th August 2016 at 10.00am.

19. 2015/16 Annual Statement of Accounts (Agenda Item 6)

The Principal Accountant presented the 2015/16 Annual Statement of Accounts for approval by the Audit Committee.

She explained to members exactly how the Statement of Accounts were prepared following changes to regulations which brought forward deadline dates for the approval and publication of the Statement of Accounts. She proceeded to highlight to members:

- Revenue Outturn – summarising the figures presented to District Executive on 7th July 2016 showing the overall outturn underspend of £802,716 (4.5%).
- Comprehensive Income and Expenditure Statement (CIES) which shows the accounting costs in the year of providing services explaining the 'Remeasurement of the Net Defined Benefit Liability' due to pensions and the underlying assets it relies on.
- Balance Sheet
- Cashflow Statement

In response to questions, the Principal Accountant simplified the figures included within the Comprehensive Income and Expenditure Statement explaining to members the reason for the adjustments of the Net Cost of Services for year end 31st March 2015 and the total spend reported to the District Executive. She also noted a members request that the comments set out within the officer's report be included within the full Statement of Accounts.

Having examined the document and commented on the information presented, the 2015/16 Annual Statement of Accounts was approved by the Committee by the Chairman signing and dating the balance sheet and Letter or Representation.

The Chairman, on behalf of the Audit Committee, thanked the Assistant Director Finance and Corporate Services, the Principal and the Finance Team for their excellent work.

RESOLVED:

- (a) The 2015/16 Statement of Accounts be approved. (A copy of the Statement of Accounts had been circulated separately with this agenda.)
 - (b) Noted the unqualified opinion on the financial statements.
 - (c) Authorised that the Assistant Director (Finance and Corporate Services) sign the Letter of Representation.
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20. Summary Statement of Accounts (Agenda Item 7)

The Principal Accountant presented the report and explained that the Summary Statement of Accounts was now a simple, clear and easy to read document covering most aspects of the Council's 2015/16 Statement of Accounts. She requested comments on the 2015/16 Summary of Accounts which would now be available on the SSDC website and at Local Council offices.

In response to a question, the Principal Accountant would inform Councillor Mike Beech direct regarding the associated costs of the Highways & Transport service.

The Assistant Director, Finance and Corporate Services also reported that the recent Judicial Review had now been completed with the judge finding in favour of SSDC and advised that a report would be brought to the committee in due course.

Following a short discussion and in agreement with the Director-Grant Thornton it was explained to members that the Council would be able to claim costs against the Judicial Review and should no further objection be upheld they would be able to sign off the last three years accounts.

Members were content that the 2015/16 Summary of Accounts be approved for publication.

RESOLVED: That the 2015/16 Summary of Accounts be noted.

21. 2015/16 Audit Findings Report (Agenda Item 8)

The Director - Grant Thornton presented the report that summarised the findings from the 2015/16 work of the Audit Commission relating to governance, as detailed in full as appended to the agenda. She congratulated the authority's excellent work on producing the accounts two months earlier than last year and explained the findings to be of a very good standard and that SSDC being one of the first authorities to be received. She then proceeded to summarise the key issues from the report including:

- Audit findings against significant risks including :
 - The process of the revaluations of the Council's Valuation of property, plant and equipment.
 - Welfare Expenditure – income calculation.
- Accounting policies including the Property Plant and Equipment and continuation of rolling programme to ensure value of assets are not misstated.
- Internal Controls.
- Adjusted misstatements.
- Disclosure Changes.

The Director – Grant Thornton continued to summarise the Value for Money key findings including Medium Term Financial Strategy, Council Tax Collection Rates and the CEO arrangements and concluded that no significant risks had been identified to compromise the value for money report and referred to the action plan and the agreed target regarding the collection of Council Tax.

The Assistant Director, Finance and Corporate Services told members that Council Tax had now employed four additional staff members. She explained that although the collection rate did not clearly reflect the need to collect the backlog from previous year's this was ever improving and that £1.9 million additional monies had been collected than from 2014/15.

The Chairman congratulated the Assistant Director, Finance and Corporate Services, Principal Accountant, the Finance Team and Grant Thornton for their excellent work.

Members were content to approve the recommendations.

RESOLVED:

That the Audit Committee:

1. Considered the matters raised in the report;
2. Noted the audit findings as outlined in Section two of this report.
3. Noted the Value for Money criteria has been met.
4. Agreed the recommended actions in Appendix A.

22. Audit Committee Forward Plan (Agenda Item 9)

Following a short discussion it was agreed that the meeting scheduled for the 25th August 2016 be cancelled unless any urgent business was called. The Treasury Management – First Quarter monitoring report would therefore be brought to the September meeting.

Following the request from the Director-Grant Thornton it was agreed that the Annual Audit Letter be brought to the October meeting.

There were no further updates to the Audit Committee Forward Plan, and members were content to note the report.

RESOLVED: That the Audit Committee Forward Plan be noted.

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Chairman