

MEETING AC.11:0910  
DATE 22.04.10

## South Somerset District Council

**Draft Minutes** of a meeting of the **Audit Committee** held in Committee Room 3/4, Council Offices, Brympton Way, Yeovil on **Thursday, 22nd April 2010**.

(10.00 a.m. – 10.45 a.m.)

**Present:**

**Members:** Derek Yeomans (in the Chair)

John Calvert	John Richardson
John Hann	Peter Roake
Ian Martin	Alan Smith
Roy Mills	Colin Winder

**Officers:**

Donna Parham	Assistant Director (Finance and Corporate Services)
Andrew Blackburn	Committee Administrator

### 95. Minutes (Agenda item 1)

The minutes of the meeting held on the 25th March 2010, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

---

### 96. Apologies for Absence (Agenda item 2)

There were no apologies for absence.

---

### 97. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

---

### 98. Public Question Time (Agenda item 4)

No questions or comments were raised by members of the public.

---

### 99. Annual Audit Fee 2010/11 (Agenda item 5)

The Assistant Director (Finance and Corporate Services) summarised the agenda report, which introduced the Annual Audit Fee Letter for 2010/11. The Committee noted that the Audit Commission wrote to each authority annually outlining an indicative fee for the inspection work they intended to carry out. The Assistant Director further commented that the fees were higher for 2010/11 because they took into account the introduction of International Financial Reporting Standards (IFRS). However, because of the quality of the authority's accounts, the work of the Audit Commission was more straightforward and the fee had been discounted by 7% below the scale fee.

In response to a question, the Assistant Director reported that the discounted fee had been given every year and meant that it had kept in line with the Council's budgeted figure for the audit and therefore the costs of the audit were increasing in line with inflation.

Comment was expressed about the increasing scope of the Audit Commission's work and the Assistant Director indicated that the same governance regime applied to all local authorities regardless of their size, which had a greater impact on smaller authorities. She further reported that representations were being made by the Society of District Council Treasurers' because it was felt that smaller authorities should be subject to a smaller governance regime than larger authorities.

Disappointment was expressed that a representative from the Audit Commission had not attended the meeting for this item regarding the Annual Audit Fee.

**RESOLVED:** that the contents of the letter from the Audit Commission regarding the Annual Audit Fee for 2010/11 be noted.

*(Donna Parham, Assistant Director (Finance and Corporate Services) - 01935 462225)  
(donna.parham@southsomerset.gov.uk)*

---

## **100. Certification of Claims and Returns: Annual Report (Agenda Item 6)**

The Assistant Director (Finance and Corporate Services) referred to the agenda report, which introduced the annual report from the Audit Commission on their findings from their audit of the Council's grant claims in respect of the Housing and Council Tax Benefit Scheme, Disabled Facilities Grants and the National Non-Domestic Rates Return.

The Assistant Director commented that the grant claim in respect of the Housing and Council Tax Benefit Scheme received a qualified opinion. She indicated, however, that the qualified opinion had been given because of the errors found in the claims and not because of the value of the errors, which was low. She further mentioned that the Housing and Council Tax Benefit claim was highly complex. An action plan was being worked through to improve this position in future years.

The Committee was content to note the report.

**RESOLVED:** that the contents of the Audit Commission's Certification of Claims and Returns: Annual Report 2008/09 be noted.

*(Donna Parham, Assistant Director (Finance and Corporate Services) - 01935 462225)  
(donna.parham@southsomerset.gov.uk)*

---

## **101. Partnership Governance with East Devon District Council (Agenda item 7)**

The Assistant Director (Finance and Corporate Services) summarised the agenda report, which outlined a way forward for the Audit Committee in meeting the requirements approved by Council on the 25th February 2010 for its role in monitoring governance as the Council's partnership with East Devon District Council progressed.

Members noted the details contained in the agenda report regarding the role and way forward for the Audit Committee. It was noted that the Joint Integration Committee set up to oversee and make recommendations on how South Somerset and East Devon District Councils could work together would recommend any changes that had a constitutional

impact to the Audit Committee for consideration and the Assistant Director indicated that she would bring an update report to the Committee as appropriate.

The Committee also noted that the first Joint Integration Committee had taken place on the 8th April 2010 and that a series of 16 work streams had been agreed to look at possible sharing options between the two authorities. Each work stream would need to assess the most appropriate option for each service area. The four options concerned were set out in the agenda report. It was noted that each work stream had a lead officer from each authority who must report back to the Joint Integration Committee on the 17th June 2010.

During the ensuing discussion, the Committee concurred with the comments of the Chairman that each authority should retain their independent audit and scrutiny functions although it was accepted that there could be a joint audit review of any combined services. The Assistant Director agreed that the Audit Committees were important in looking at their authority's independence and governance.

Reference was made by a member to the cost of officer time in forwarding the project. The Chairman particularly referred to the cost of engaging a consultant to support the Chief Executive in the management of the project for an initial period. In response to a question, the Assistant Director informed members that the cost of engaging the consultant initially was £15,000, which was being funded through the Regional Improvement and Efficiency Partnership and not from either of the District Councils' budgets. The Project Manager would be assisting the Chief Executive with the work required for the Joint Integration Committee. Members expressed doubts about the need for a consultant to assist in managing the project and asked that a further report be submitted to the Committee's meeting in July 2010 with regard to the consultant's role and consequent costs and to inform members of the latest position in respect of the management regimes being proposed in respect of sharing services between the two authorities.

- RESOLVED:** (1) that the role and way forward for the Audit Committee in monitoring governance as the Council's partnership with East Devon District Council progresses be noted;
- (2) that a further report be submitted to the Committee in July 2010 with regard to the consultant's role and consequent costs and to inform members of the latest position in respect of the management regimes being proposed in respect of sharing services between the two authorities.

*(Donna Parham, Assistant Director (Finance and Corporate Services) - 01935 462225)*  
*(donna.parham@southsomerset.gov.uk)*

## 102. Date of Next Meeting (Agenda item 8)

Members noted that the next meeting would be held on Thursday, 27th May 2010 at 10.00 a.m. in the Main Committee Room, Council Offices, Brympton Way, Yeovil.

**NOTED.**

*(Andrew Blackburn, Committee Administrator – 01460 260441)*  
*(andrew.blackburn@southsomerset.gov.uk)*

.....  
 Chairman