

MEETING AC.04 12:13
DATE 23 August 12

South Somerset District Council

Draft minutes of a meeting of the **Audit Committee** held in the Main Committee Room, Council Offices, Brympton Way, Yeovil on **Thursday, 23 August 2012**.

(10.00 a.m. – 10.40 a.m.)

Present:

Members:

Derek Yeomans	Chairman
John Calvert	Roy Mills
Tony Lock	Terry Mounter
Ian Martin	Colin Winder

Also Present:

Gerry Cox	Head of Internal Audit Partnership
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Officers:

Anne Herridge	Committee Administrator
Amanda Card	Finance Manager
Karen Gubbins	Principal Accountant - Exchequer

25. Minutes (Agenda item 1)

The minutes of the meeting held on the 26 July 2012, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

26. Apologies for Absence (Agenda item 2)

An apology for absence was received from Cllr John Dyke.

27. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

28. Public Question Time (Agenda item 4)

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

29. 2012/13 SWAP Internal Audit Quarter 1 Update Report (Agenda Item 5)

The Head of Internal Audit Partnership summarised the agenda report, which provided members with an update on internal audit activity for quarter 1. He commented that as this was the first quarterly update report there was very little to report which was normal for this stage of the Audit.

In response to members questions the Head of Internal Audit Partnership replied that:

- The word 'overall' used on page 7 of the agenda report referred to the draft stage of the Plant Nursery audit to inform the reader that nothing in the audit had been found to cause alarm;
- With reference to page 10 of the agenda report and the wording regarding the approach to the audits for 2012/13 and the undertaking to seek more challenging 'cross cutting reviews' as an example of what this meant, he referred to car park charges in the area and explained that rather than just focus on the income and charges across the authority a comparison with other SWAP partners would be included therefore would be more in depth;
- A report on Wincanton Community Sports Centre should be ready to present to Audit Committee by the September meeting;
- He was pleased that the independent investigation had found that there was no evidence to suggest that SSDC acted unfairly following an accusation by a member of staff who had felt she was the victim of bullying and harassment.

Members were content to note the report.

RESOLVED: that the progress of the Quarter 1 report 2012/13 of the South West Audit Partnership be noted.

Lead Officer: Andrew Ellins, Audit Manager
Contact Details: andrew.ellins@southwestaudit.gov.uk

30. Treasury Management Performance to June 2012 (Agenda Item 6)

The Principal Accountant – Exchequer, summarised the report as detailed in the agenda and clarified a few acronyms that had been used within the report

In conclusion the chairman felt the report was self explanatory, it was good to know that SSDC were investing in the right things even if only for a short time scale.

Members were content to note the report.

- RESOLVED:** (1) that the Treasury Management Activity for the three month period ended 30th June 2012 be noted by the Audit Committee
- (2) that the position of the individual prudential indicators for the three month period ended 30th June 2012 be noted by the Audit Committee.

Lead Officer: Karen Gubbins, Principal Accountant - Exchequer
Contact Details: karen.gubbins@southsomerset.gov.uk or (01935) 462456

31. Draft Audit Bill - Consultation (Agenda Item 7)

The Finance Manager explained that the DCLG had now published the draft Audit Bill as a very large document and SSDC's responses were outlined in the agenda report.

During discussion the following points were raised some of which included:

- Understood the current arrangements with Grant Thornton and the Audit Commission would remain in place until 2015;
- It would appear that Local Authorities would no longer have control over who would be appointed as auditor;
- Understood that an auditor appointed on the advice of an independent 'auditor panel' would be indemnified against any form of negligence;
- Members should be mindful that the draft Audit Bill was still in the consultation stage;
- What would happen if the work of the chosen Auditor was inferior?
- Did not feel that SSDC would really have a say if the choice of auditor had to be made from the register of local public auditors;
- From a commercial point of view what would happen if things went wrong with the partnership or the supervisory body if they were also not liable for any negligence;
- The inference that an auditor appointed by the panel would be exempt from any claim of negligence should be removed from the Audit Bill;
- A list of concerns has already been passed to the Assistant Director Finance and Corporate Services

In response the Finance Manager replied that:

- Any auditor chosen by the Independent Panel would have to be appointed from the register of local public auditors and the panel would need to re-authorise the appointment every 3 – 5 years;
- SSDC were fairly heavily regulated;
- Grant Thornton, currently in place as the auditors, would probably be in place for the next 5 years.

In conclusion the chairman asked that neighbouring councils be informed about members concerns, and the additional comments regarding indemnity claims should be included as part of the SSDC response.

RESOLVED: that the response to the consultation paper be approved subject to additional comments by the Audit Committee

Lead Officer: Donna Parham – Assistant Director- Finance and Corporate Services
Contact Details: donna.parham@southsomerset.gov.uk or (01935) 462225

32. Audit forward Plan (Agenda item 8)

Members noted that the Wincanton Community Sports Centre Audit action plan would be on the Audit Committee agenda in October.

Further discussion then centred around the changes to Council Tax benefits and the implications for the Audit Committee.

The Finance Manager explained that the public consultation period had not yet ended, the responses had then to be analysed. Full details of the changes were still unknown, although it was recognised that SSDC's income would be affected; the Council Tax base rate would be altered which would in turn have an impact on the provision of services, a decision on that had to be made by January 2013 as the newly elected (in November) Avon and Somerset Police Commissioner would only have 100 days in which to set their budget, SSDC would need to provide budget information by then.

Scrutiny Committee were already heavily involved in this process and as soon as papers were drawn up they would be presented to Audit Committee members.

In conclusion, the Chairman felt that extra Audit Committee meetings may be necessary in order to discuss the changes.

RESOLVED: that the proposed Audit Committee Forward Plan be noted.

Lead Officer: Anne Herridge, Committee Administrator
Contact Details: anne.herridge@southsomerset.gov.uk or (01935) 462570

33. Date of the Next Meeting (Agenda Item 8)

Members noted that the next meeting of the Committee would be held on Thursday, 27 September 2012 at 10.00 a.m. in the Council Chamber B, Council Offices, Brympton Way, Yeovil.

NOTED

Anne Herridge, Committee Administrator
(anne.herridge@southsomerset.gov.uk) or (01935) 462570

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Chairman