

MEETING: AC.02 13:14
DATE: **27.06.2013**

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, 27 June 2013.**

(10.00 am –10.35 am)

Present:

Members:

Derek Yeomans - Chairman	Roy Mills
John Dyke	Terry Mounter
David Norris	John Richardson

Officers:

Donna Parham	Assistant Director Finance & Corporate Services
Anne Herridge	Committee Administrator
Ian Clarke	Assistant Director Legal & Corporate Services

Also Present:

Andrew Ellins	South West Audit Partnership – Audit Manager
Tim Carroll	SSDC Councillor

11. Minutes (Agenda Item 1)

The minutes of the meeting held on the 23 May 2013, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

12. Apologies for Absence (Agenda item 2)

Apologies for absence were received from Cllrs Tony Lock, Ian Martin, Colin Winder and Cllr John Calvert.

13. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

14. Public Question Time (Agenda item 4)

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

15. 2013/14 SWAP Internal Audit Plan - Revised (Agenda Item 5)

The Audit Manager explained the proposed changes to the 2013/14 SWAP Internal Audit. This was due to Grant Thornton placing a different level of assurance on the

'annual key control' audits that had always been part of the audit plan. This would give more added value reviews whilst still providing ongoing assurance in respect of the key financial systems whilst not being directed and prescribed by the audit programmes designed by the Audit Commission (former External Auditors).

In response to a question regarding the audit of Troubled Families the Audit Manager explained that although this was a Somerset County Council programme it was necessary for SWAP to audit the involvement of SSDC.

The Assistant Director Finance & Corporate Services asked Audit Committee members to consider carrying out follow up audits of the Section 106 Agreement Income every other year rather than annually. Regular monitoring was being carried out more often by the Section 106 Monitoring Officer, area committees also had regular update reports.

Audit Committee members felt that it was acceptable for the follow up audit of the Section 106 Agreement Income to be carried out every other year in order to ensure transparency of the process.

RESOLVED:

That:

- 1) the new Audit Plan attached at Appendix A of the agenda report be agreed;
- 2) the follow up audit of the Section 106 Agreement Income be carried out every other year in order to ensure transparency of the process.

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

16. 2012/13 Treasury Management Activity Report (Agenda Item 6)

The Assistant Director – Finance and Corporate Services summarised the agenda report and the Committee reviewed the treasury management activity and the performance against the Prudential Indicators for the 2012/13 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Strategy and Annual Investment Policy and Treasury Management Practices.

The Assistant Director – Finance and Corporate Services referred to the chart in the agenda showing Arlingclose Client Benchmarking that indicated that SSDC took less risk than other Local Authorities but acquired a better return than a lot of the others.

In response to queries the Assistant Director – Finance and Corporate Services gave an explanation regarding the table specifying the Council's investments, she made particular reference to the difference in the value of investments in World Bonds, and confirmed that in future she would ensure there was a better explanation within the columns of Prudential Indicator tables.

In response to further questions the Assistant Director – Finance and Corporate Services responded that:

- It was necessary for SSDC to diversify their investments as much as possible, she would take note of the concern raised regarding investment in Newcastle City Council;

- There had been an increase in the Minimum Revenue Provision (MRP);
- The Finance Service work closely with Arlingclose in assessing interest rates and they are likely to remain low for some time although that could change with the new Governor of the Bank of England in place (but still unlikely);
- The amount of council tax/ business rates collected was not lower than in previous years but it had taken longer to collect and that had had an impact on the cash flow;
- SSDC compare the rates from different brokers and in certain circumstances Arlingclose before placing investments.

RSOLVED:

That the Audit Committee

- Noted the Treasury Management Activity for the 2012/13 financial year;
- Noted the position of the individual prudential indicators for the 2012/13 financial year;
- Noted the outlook for the investment performance in 2013/14.

Lead Officer: *Stephen Meers – Interim Accountant*
Contact Details: Stephen.Meers@SouthSomerset.gov.uk or (01935) 462612

17. Register of Staff Interests – Annual Report (Agenda Item 7)

The Assistant Director Legal and Corporate Services explained the purpose of the report as detailed in full in the agenda. He confirmed that he was content that there were no materially significant issues that needed to be addressed and the process would be reviewed later in the year.

The Assistant Director Legal and Corporate Services confirmed that the Register of Staff Interests was entirely different from the Register of Members Interests.

RESOLVED:

That Audit Committee members noted the annual report.

Lead Officer: *Ian Clarke, Legal and Corporate Services*
Contact Details: ian.clarke@southsomerset.gov.uk or (01935) 462184

18. Audit Committee Forward Plan (Agenda Item 8)**RESOLVED:**

That Members commented upon and noted the proposed Audit Committee Forward Plan as attached at Appendix A.

NOTED

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

19. Date of the Next Meeting (Agenda Item 9)

Members noted that the next scheduled meeting of the Audit Committee would be held on Thursday, 25 July 2013 at 10.00 a.m. in the Main Committee Room Council Offices, Brympton Way, Yeovil.

NOTED

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

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Chairman