

## 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 Thursday 26 April 2018.**

(10.00 - 10.40 am)

### **Present:**

**Members:** Councillor Derek Yeomans (Chairman)

Mike Best	Tony Lock
Carol Goodall	Graham Middleton
Anna Groskop	David Norris
Val Keitch	Colin Winder

### **Officers**

Netta Meadows	Director (Strategy & Commissioning)
Kelly Wheeler	Case Services Officer (Support Services)
Paul Fitzgerald	Section 151 Officer

### **Also Present:**

David Johnson                      Engagement Manager, Grant Thornton

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#### **85. Minutes (Agenda Item 1)**

The minutes of the previous meeting held on Thursday 22<sup>nd</sup> March, copies of which had been circulated, were agreed as a correct record and signed by the Chairman.

#### **86. Apologies for absence (Agenda Item 2)**

An apology of absence was received from Councillor Jason Baker.

#### **87. Declarations of Interest (Agenda Item 3)**

There were no declarations of interest.

#### **88. Public question time (Agenda Item 4)**

There were no members of the public present.

#### **89. Date of next meeting (Agenda Item 5)**

Members noted that the next meeting of the Audit Committee was scheduled for 10am on Thursday 24<sup>th</sup> May in the Main Committee Room, Brympton Way, Yeovil.

However, it was resolved later in the meeting (agenda item 7) that the next meeting of the Audit Committee would take place at the later date of Thursday 28<sup>th</sup> June at in the Main Committee Room 10am.

#### **90. External Audit Progress Report (Agenda Item 6)**

The S151 Officer introduced the report to members, advising that the report summarised the annual audit process made by Grant Thornton. He drew members attention to paragraph 5 of the covering report and advised that we were currently on track and that it was expected that Grant Thornton would be issuing a positive unqualified opinion on the value for money audit.

He introduced David Johnson, Engagement Manager – Grant Thornton. He referred to page 9 of the agenda and advised that the two main areas of the audit which had been carried out were the Financial Statements interim audit and the Value for Money review.

In response to a members question, he clarified that audit advice was being provided in relation to accounting arrangements for the purchase of investment land and property.

The S151 Officer clarified that, as previously indicated to Members, the impact of commercial investments are reflected in budget setting and monitoring reports and that the CEO had briefed members on the purchase referred to within the external auditor's progress report, however again as previously reported, the details are commercially sensitive and are therefore treated as confidential.

One member requested a copy of the business plans for the investment properties, and another member indicated that they didn't want to see the detail but wanted the Audit Committee to be made aware if investments did not remain on track. The S151 Officer reminded the member that the detailed business plan contains confidential information and that the Full Council has delegated commercial investment purchase decisions to the CEO in consultation with the Leader. The S151 Officer agreed to discuss with the Commercial Services and Income Generation Director how interested members of the Audit Committee can access more detail if appropriate.

David Johnson advised members that page 10 of the agenda detailed the current position of the external audit programme. He also advised that pages, 11-13 covered the areas which had already been looked at.

He pointed out the Value for Money Interim Conclusion on page 14. He advised that he would be expecting to issue a positive unqualified opinion for the Transformation Process, subject to any significant new information arising before the completion of the audit.

In response to a question from a member, he confirmed that the restructuring figures quoted in the first column of page 14 was the allocated budget, rather than the spend to date. The Director of Strategy and Commissioning advised that up to date financial information had been reported the DX Committee recently.

**RESOLVED:** that members noted the report.

## **91. Audit Committee Meetings Calendar (Agenda Item 7)**

The S151 Officer presented his report to members. He advised that he was proposing to reduce the volume of meetings to operate in a more efficient way.

He explained that the report contained some examples of how other district councils in Somerset operate for use as a comparison.

He explained that some districts operate with quarterly meetings, plus an additional meeting to cover the annual financial accounts.

One member suggested that he felt that 4 meetings was too few, and proposed that 6 meetings should take place per year with a review to take place in 12 months. It was also suggested that additional meetings could be scheduled by the Chairman if this was felt necessary. This was seconded by another member.

On being put to the vote, members unanimously agreed that there should be 6 meetings of the Audit Committee, however it will possible for the Chairman of the Audit Committee to call an additional meeting should this be necessary. This would be reviewed in 12 months' time.

**RESOLVED:** that members unanimously agreed to reduce the frequency of Audit Committee Meetings to 6 meetings per year - Option A, to be held in June, July, October, November, January and March. It will remain possible for the Chairman of the Audit Committee to call additional meetings if appropriate and this schedule of meetings will be reviewed in 12 months.

(Voting: Unanimous)

**92. Audit Committee Forward Plan (Agenda Item 8)**

Members noted the Audit Committee Forward Plan and agreed that the Forward Plan would be replaced with the plan detailed on page 26 of the agenda (agenda item 7).

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Chairman