

## **AUDIT COMMITTEE**

### **Minutes of the Meeting held on 2 December 2014 at 2.30 pm in the Council Chamber, Williton**

#### **Present**

Councillor S Goss .....Chairman  
Councillor E May .....Vice Chairman  
Councillor M O A Dewdney  
Councillor D D Ross

#### **Members In Attendance**

Councillor K V Kravis  
Councillor D Sanders

#### **Officers In Attendance**

Assistant Director Corporate Services (R Sealy)  
Corporate Strategy and Performance Manager (P Harding)  
Finance Manager (S Plenty)  
Senior Debt and Recovery Manager (S Perkins)  
Principal Revenues and Debt Recovery Officer (D Emery)  
Corporate Support Officer (E Hill)

#### **Also In Attendance**

Peter Barber, Associate Director, Grant Thornton  
Alastair Woodland, Audit Manager of South West Audit Partnership (SWAP)

#### **A.30 Apologies for Absence**

Apologies for absence were received from Councillors M Chilcott, K Kravis and R Lillis.

#### **A.31 Minutes**

(Minutes of the Meeting of Audit Committee held on 22 September 2014, circulated with the Agenda).

**RESOLVED** that the Minutes of the Meeting of the Audit Committee held on 22 September 2014 were confirmed as a correct record.

#### **A.32 Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

<b>Name</b>	<b>Minute No</b>	<b>Description of Interest</b>	<b>Personal or Prejudicial</b>	<b>Action Taken</b>
Cllr S Y Goss	All	Stogursey	Personal	Spoke and voted

### **A.33 Public Participation**

No members of the public had requested to speak on any item on the Agenda.

### **A.34 Audit Committee Action Plan**

(Audit Committee Action Plan, circulated with the Agenda).

Noted that the resolution made at the meeting on 22 September 2014 relating to the SWAP Pensions Guarantee had been approved by Full Council on 22 October 2014.

**RESOLVED** that the Audit Committee Action Plan, be noted.

### **A.35 Audit Committee Forward Plan**

(Audit Committee Forward Plan, circulated with the Agenda).

The request to have the Hinkley Finance Update Report added to the Forward Plan for the meeting on 23 March 2015 be noted as was the change to the 'As at' on the Debt Analysis Report to '31 December'.

**RESOLVED** that the Audit Committee Forward Plan be noted with the requested changes.

### **A.36 Grant Thornton External Audit – Annual Audit Letter**

(Report No. WSC 173/14, circulated with the Agenda).

The purpose of the report was to provide the Audit Committee with a summary of the key findings from the external audit work carried out in respect of the 2013/2014 financial year and detailed the actual audit fees charged.

The Associate Director for Grant Thornton outlined the Annual Audit Letter for 2013/2014, which summarised the key findings. This letter detailed the external auditor's unqualified opinion in respect the Council's accounts, Value for Money (VfM) conclusion and the actual audit fees.

**RESOLVED** that the Annual Audit Letter be noted.

### **A.37 Grant Thornton External Audit – External Audit Update**

(Report No. WSC 174/14, circulated with the Agenda).

The purpose of the report was to provide the Audit Committee with a progress update regarding the work of the external auditors, Grant Thornton, together with information relating to emerging national issues which might be relevant to the Council.

The Associate Director for Grant Thornton outlined the external auditor's progress as at 14 November 2014 including the status of all the planned audit work for the Council as well as detailing any emerging national issues and developments that were relevant to the Council.

During the discussion of this item the following points were made:-

- With regard to merging assets and maximising the benefit to the Council should the Council not consider raising charges for parking?  
*The report referred to surplus assets to try and ensure that they contributed to the Council directly or indirectly.*
- The Council did have surplus assets which were not giving anything back to the Council as well as empty space within West Somerset House, the use of which should be maximised by approaching other agencies.

**RESOLVED** that the External Audit Progress Update be noted.

### **A.38 SWAP Internal Audit –Progress Report on Internal Audit Update**

(Report No. WSC 134/14, circulated with the Agenda).

The purpose of the report was to provide the Audit Committee with an update on the Internal Audit Plan 2014/2015 progress and bring to the attention of Members any significant findings identified through SWAP's work.

The Audit Manager outlined the schedule of the planned audits for 2014/2015 as well as providing a progress update on current audits and their findings. Steady progress was being made against the plan.

During the discussion of this item the following points were made:-

- Concern was expressed concerning those areas detailed in the report which did not meet the requirements of the Local Government Transparency Code.  
*There were penalties if the Council did not meet the code but currently both Councils were little different from other Local Authorities. The areas of concern would be worked on and addressed. There was a plan to address these and the Council and SWAP would be monitoring it.*
- Could the Members have a copy of the action plan?  
*This would be circulated.*
- There did not appear to be any allocated Trade Union Time for staff. The Council needed to allow time for staff to attend Trade Union meetings during work hours.  
*With the service changes, all staff were now employed by TDBC. So this could mean that the Trade Union branches might be merged. But this was something for the Trade Union to discuss. Staff would still be allowed time during working hours to attend Trade Union branch meetings but this would take place through the joint Trade Union branch.*
- There had always been a problem with procurement and its structure. The LGA had reviewed the Council's procurement processes and had made some recommendations. With the new shared services partnership arrangements, would this mean that there would be the capacity to complete procurement processes more efficiently and properly?  
*It was agreed that this was something for the future to review. Currently, TDBC procurement processes were completed by Southwest One but the structure and rigorous practices and procedures could be brought to WSC.*

- Looking at procurement, could the Council look at creating joint procurement services for all the Local Authorities across the County?

**RESOLVED** that the SWAP Internal Audit Progress Update and Significant Findings be noted.

#### **A.39 Risk Management Update**

(Report No. WSC 176/14, circulated with the Agenda).

The purpose of the report was to provide the Audit Committee with an update on the corporate risks which were being managed by the Joint Management Team (JMT).

The Corporate Strategy and Performance Manager outlined the contents of the Council's Risk Register. Currently, there were only 16 Corporate Risks on the register.

During the discussion of this item the following point was made:-

- Could a risk relating to the retention of staff be included and, looking to the future, in relation to the development of a management training programme?  
*The Council was reviewing the in-house development and training programme for current staff as well as developing apprenticeship scheme. This was particularly relevant for the DLO.*

**RESOLVED** that the Risk Management Update be noted.

#### **A.40 Six-Month Review of Treasury Management Activity**

(Report No. WSC 130/14, circulated with the Agenda).

The purpose of the report was to provide the Audit Committee with an update on the Treasury Management position as at 30 September 2014 and to provide an update for the 2014/2015 Treasury Management Strategy Statement.

The Finance Manager outlined the contents of the Treasury Management Update report looking at the sums of money that the Council had borrowed or invested. This report looked at the Council's performance of the treasury management function. This update was provided twice a yearly (mid-year and at year end).

**RESOLVED** that:-

- (1) the review of six-month Treasury Management Activity be noted; and
- (2) the amendments to 2014-15 Treasury Management Strategy Statement be approved.

#### **A.41 Debt Analysis Report – As at 30 September 2014**

(Report No. WSC 177/14, circulated with the Agenda).

The purpose of the update was to provide the Audit Committee with an update on the level of debts outstanding to the Authority as at 30 September 2014.

The Finance Manager outlined the contents of the report which gave detailed analysis of the Authority's current level of debt. This was used to form part of the Council's Corporate Performance.

Reported the detail of the Council's Corporate, Housing Benefit, Council Tax, and Business Rate Debts. It was noted that failure to collect these debts could eventually lead to losses, which would be a cost to the General Fund and therefore adversely affect reserve balances.

During the discussion of this item the following points were made:-

- Was the Council still working on the Business Rate statements or had these been finalised and sent out?  
*The Business Rates post bag was now up to date so the backlog had been cleared and dealt with. All Business Rate Valuation Lists were up to date as well.*
- Collection data had fallen but larger employers were now able pay their rates over 12 months not 10 months.  
*The officer would amend the table to reflect the requested changes as it was misleading concerning the write offs.*

**RESOLVED** that the Debt Analysis Report be noted.

The meeting closed at 3.47 pm.