

AUDIT COMMITTEE

Minutes of the Meeting held on 3 December 2013 at 4.30 pm in the Council Chamber, Williton

Present

Councillor S GossChairman
Councillor E MayVice Chairman

Councillor R P Lillis

Councillor D J Sanders

Members In Attendance

Councillor K V Kravis

Officers In Attendance

Section 151 Officer (S Campbell)
Principal Accountant/Deputy Section 151 Officer (S Plenty)
Meeting Administrator (H Dobson)

Also In Attendance

Shirlene Adam - Section 151 Officer – Taunton Deane Borough Council (TDBC)
Peter Barber, Engagement Lead, Grant Thornton
Peter Lappin, Audit Manager, Grant Thornton
Claire Hodgson, Audit Manager of South West Audit Partnership (SWAP)
Anton Sweet, Funds and Investment Manager, Somerset County Council

A30 Apologies for Absence

Apologies for absence were received from Councillors M J Chilcott, M O A Dewdney and D D Ross.

A31 Minutes

(Minutes of the Meeting of Audit Committee held on 23 September 2013, circulated with the Agenda).

RESOLVED that the Minutes of the Meeting of Audit Committee held on 23 September 2013 be confirmed as a correct record.

A32 Declarations of Interests

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

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

A33 Public Participation

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

A34 Audit Committee Action Plan

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

RESOLVED that the Audit Committee Action Plan, be noted.

A35 Audit Committee Forward Plan

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

RESOLVED that the Audit Committee Forward Plan be noted.

A36 Draft Annual Audit Letter

(Draft Annual Audit Letter, circulated with the Agenda).

The Audit Manager for Grant Thornton summarised the audit work and findings for the year ended 31 March 2013. He thanked the finance team for their work in achieving an unqualified opinion on the financial statements and value for money conclusion. He highlighted the key issues facing the Council in the future, in particular the significant financial pressures and joint management and services with Taunton Deane Borough Council.

RESOLVED that the Annual Audit Letter for 2012/13, be noted.

A37 Audit Committee Update

(Audit Committee Update for West Somerset District Council, circulated with the Agenda).

The Engagement Lead for Grant Thornton introduced himself and advised that he would be taking over from the Council's previous auditor, Alun Williams. He was also the appointed auditor for Taunton Deane Borough Council and other authorities in Somerset, Gloucestershire and Dorset.

The Engagement Lead advised that this item was a new report and it was planned that such an update would be reported to the Audit Committee at each meeting. He referred to the update and advised of the progress in delivering their responsibilities as external auditors, and work planned for the remainder of the year.

The Chairman thanked the Engagement Lead for the update and confirmed that the extra information contained under 'emerging issues and developments' was very useful and requested that it remain in future reports.

In response to concern as to whether the Council would incur extra cost for increased work relating to the shared management and services project with TDBC the Engagement Lead advised that it was hoped the work would be conducted under the agreed fee. The auditors would want to engage with staff early in the process to provide an understanding of the changes and ensure that expectations were clear. If issues should arise they would be raised with the Section 151 Officer. Further, he was the appointed auditor for a joined authority in Dorset and would be able to share relevant past experience with West Somerset and Taunton Deane Borough Councils.

RESOLVED that the Audit Committee Update for West Somerset Council be noted.

A38 Actuarial Review

(Information sheet, Triennial Actuarial Review of the Pension Fund, circulated at the meeting).

The Funds and Investment Manager for Somerset County Council provided an update referring to the Triennial Actuarial Review of the Pension Fund. The main points discussed included West Somerset Council valuation results, contribution rates, key statistics of the fund, key factors relating to the new scheme and increase in deficit, and outcomes relating to the future service cost and deficit recovery plan.

During the course of the presentation the following points were made:

- The Actuary makes a number of assumptions in order to predict the contribution rates which would be reviewed again in 2016 when further adjustments were likely to be made.
- When staff transfer to TDBC the payment deficit would continue to be funded by West Somerset Council.
- It was difficult to predict what would happen should an authority reach a position when it was not able to continue with payments, the law was not explicit.
- The new scheme from 2015 would be slightly cheaper mostly due to employees retiring later. The new scheme would not affect the deficit.
- Any savings made by potentially reducing the administration costs per head would be very small.
- The deficit recovery plan had been extended due to no progress being made to date against the deficit.

The Section 151 Officer confirmed that she would provide actual numbers of the active members, deferred pensioners and pensioners after the meeting.

RESOLVED that the Actuarial Review update, be noted.

A39 Treasury Management Update – 30 September 2013

(Report No. WSC 163/13, circulated with the Agenda).

The purpose of the update was to update the Audit Committee on the Treasury Management position as at 30 September 2013.

The Deputy Section 151 Officer presented the report and advised that the Council engaged with CAPITA to produce the update and highlighted what the average funds in the first 6 months were, that there was no borrowing, no debt rescheduling and that the Council complied with the treasury and prudential limits.

RESOLVED that the Treasury Management position as at 30 September 2013, be noted.

A40 Debt Analysis – As at 30 September 2013

(Report No. WSC 162/13, circulated with the Agenda).

The purpose of the report was to provide the Audit Committee with an update on the level of debts outstanding to the Authority as at 30 September 2013.

The Deputy Section 151 Officer presented the report and advised that the levels of debt as at 30 September 2013 were compared to those outstanding the previous year, 30 September 2012.

During the course of the discussion the Deputy Section 151 Officer confirmed that in order for members to gain an idea of the percentage of outstanding debts remaining he would adjust the report to include the gross amount of debts raised.

RESOLVED that the debt analysis as at 30 September 2013, be noted.

A41 Quarterly Review of Internal Audit Activity

(Quarterly Review of Internal Audit Activity, circulated with the Agenda).

The Audit Manager presented the report and advised that the definition of 'non opinion' had been included in the Control Assurance Definitions and that good progress was being made in quarter 3. She highlighted the level 4 recommendations relating to social media and that she was confident the mitigating actions would be completed.

During the discussion the Audit Manager advised that she would confirm whether any follow up reports had commenced.

RESOLVED that the Report of Internal Audit Activity for Quarter 3 2013/14, be noted.

The meeting closed at 5.40pm.