

AUDIT COMMITTEE

Minutes of the Meeting held on 8 February 2012 at 4.30 pm in the Council Chamber, Williton

Present

Councillor A H Trollope-Bellew Chairman
Councillor E May Vice Chairman

Councillor S Y Goss
Councillor P H Murphy
Reverend V Woods

Councillor R P Lillis

Members In Attendance

Councillor M O A Dewdney
Councillor K V Kravis

Councillor B Heywood

Officers In Attendance

Section 151 Officer (G. Carne)
Principal Accountant (S. Plenty)
Principal Benefits and Fraud Officer (P. Lamb) (Item 5 only)
Meeting Administrator (H. Dobson)

Also In Attendance

Peter Lappin, Audit Manager, Audit Commission
Adam Burleton, Treasury Management Advisor, Sector Group

The Chairman welcomed Peter Lappin, Audit Manager and Adam Burleton, Treasury Management Advisor to the meeting of the Audit Committee.

A43 Apologies for Absence

Apologies for absence were received from Councillors M J Chilcott, and K M Mills.

A44 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 A Trollope-Bellew	All	SCC	Personal	Spoke and voted
Cllr S Y Goss	All	Stogursey	Personal	Spoke and voted
Cllr P H Murphy	All	Watchet	Personal	Spoke and voted

A45 Public Participation

No members of the public had requested to speak.

A46 Audit Committee Action Plan

(Action Plan, circulated with the Agenda).

RESOLVED that the Audit Committee Action Plan be noted.

A47 Certification of Claims and Returns

(Certification of Claims and Returns – Annual Report, circulated with the Agenda).

The Audit Manager presented the report and advised that the Audit Commission were required to produce a report on work undertaken to certify claims and returns made by West Somerset Council regarding Housing and Council Tax Benefit claims and Non Domestic Rates returns. A qualification letter was required because of the complex nature of the figures involved.

During the course of the discussion Members noted that:

- Out of the thousands of transactions undertaken only one of the two claims, taken from the samples for the year ended 31 March 2011, needed an amendment.
- Due to changes in the Housing Benefit rules the number of transactions would diminish.
- The Council's Northgate system was introduced in 2003. The system was used by the majority of local authority councils.

RESOLVED that the Certificate of Claims and Returns annual report, 2010/11, be noted.

Note: With the agreement of the Chairman this item was brought forward on the Agenda.

A48 Treasury Management Strategy Statement, MRP Policy and Annual Investment Strategy 2012-13

(Report No WSC 31/12, circulated with the Agenda).

The purpose of the report was to inform Audit Committee of the proposed Treasury Management Strategy, Minimum Revenue Policy and Annual Investment Strategy for 2012-2013 in line with the CLG's Guidance on Local Government Investments ('the Guidance') and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ('the CIPFA TM Code').

The Section 151 Officer advised that due to the significant amount of data and technical detail contained in this item a training session had been held earlier that day. It was for the Audit Committee to scrutinise the strategy before them prior to its presentation, for approval, to Council later in the month.

The Treasury Management Advisor of Sector reported that the strategy statement sets out a framework that allowed the officers to manage the Council's finances on a day-to-day basis. A mid year review was required and this provided an opportunity to change the strategy. Following the year-end it was also necessary

to produce a report detailing how the authority actually performed. He proceeded to present the strategy in detail.

At this point, paperwork relating to '3.4 Borrowing Strategy' of the Treasury Management Strategy Statement, displaying a completed table, was circulated.

During the course of the presentation Members noted and discussed the following:

- Noted that the policy stated that the Council was not allowed to borrow to invest.
- Noted that cash balances might increase with accelerated asset sales. Any surpluses from the Hinkley 106 agreement would have to be recycled.
- Concern was expressed regarding the impact of Hinkley Point. Members were advised that a further report that included Hinkley Point would be required. The Treasury Management Strategy would ensure that the money was managed adequately.
- Noted the approved countries for investments and that a bank could not have a higher sovereign rating than its country. Also should the UK rating be down graded from AAA to anything below AA+ or AA- the Council would possibly have to meet to consider whether it still wanted to invest in the UK.
- A request was made that perhaps the slides used in the training could also be used when the strategy was presented to full Council. Noted that an abridged version could be available and that the Section 151 Officer would be discussed further with the Chairman of the Audit Committee after the meeting.

RESOLVED that the combined Treasury Management Strategy Statement, Minimum Revenue Policy Statement and Annual Investment Strategy for 2012-2013, be noted.

A49 Risk Management Strategy 2012 Update

(Report No. WSC 30/12, circulated with the Agenda).

The purpose of the report was to present to Members an updated Risk Management Strategy for comment and approval, in accordance with the roles and responsibilities of the Audit Committee.

The Lead Member for Resources and Central Support presented the report and advised that the risk registers had been compiled from the recently reviewed service plans. She highlighted that there was only one amendment to the strategy and that was an additional CMT responsibility in figure 3 of the strategy.

RESOLVED that the revised and updated Risk Management Strategy, attached to the agenda, be approved.

The meeting closed at 6.05 pm.