

AUDIT COMMITTEE

Minutes of the Meeting held on 22 September 2014 at 2.30 pm in the Council Chamber, Williton

Present

Councillor S GossChairman
Councillor E MayVice Chairman

Councillor M O A Dewdney

Members In Attendance

Councillor K V Kravis

Councillor D Sanders

Officers In Attendance

Section 151 Officer (S Adam)
Assistant Director Corporate Services (R Sealy)
Assistant Director of Resources (P Fitzgerald)
Principal Accountant/Deputy Section 151 Officer (S Plenty)
Performance & Efficiencies Manager (K Batchelor)
Corporate Support Officer (E Hill)

Also In Attendance

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

A.16 Apologies for Absence

Apologies for absence were received from Councillors M Chilcott, R Lillis and D Ross.

A.17 Minutes

(Minutes of the Meeting of Audit Committee held on 1 July 2014, circulated with the Agenda).

RESOLVED that the Minutes of the Meeting of the Audit Committee held on 1 July 2014 were confirmed as a correct record subject to Councillor K V Kravis being recorded under Members in Attendance.

A.18 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:

Name	Minute No	Description of Interest	Personal or Prejudicial	Action Taken
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Cllr S Y Goss	All	Stogursey	Personal	Spoke and voted
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A.19 Public Participation

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

A.20 Audit Committee Action Plan

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

Noted that the resolution made at the meeting on 1 July 2014 relating to the South West Audit Partnership (SWAP) Governance Arrangements had been approved by Full Council on 23 July 2014.

RESOLVED that the Audit Committee Action Plan, be noted.

A.21 Audit Committee Forward Plan

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

Noted that the External Audit Fee Letter 2015/2016 from Grant Thornton on the Forward Plan for 2 December 2014 be removed until further notice.

RESOLVED that the Audit Committee Forward Plan be noted.

A.22 Internal Audit Plan 2014-15 Progress Update

(Report No. WSC 129/14, circulated with the Agenda).

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

The Audit Manager from SWAP reported that steady progress had been made on the Audit Plan. Additional resource would be diverted back to WSC to pick up the two deferred audits later in the year. It was reported that the work undertaken to date, which included audits at the review stage, had not identified any significant corporate risks.

RESOLVED that the progress update for the Internal Audit Plan 2014/2015 be noted.

A.23 Debt Analysis – As at 30 June 2014

(Report No. WSC 133/14, circulated with the Agenda).

The purpose of the report was to provide an update on the level of debts outstanding to the Authority as at 30 June 2014.

The Finance Manager detailed the different streams of debt owed as follows:-

- Corporate Debts - £326,734. The figure reflected a 37% increase on the newest debts.

- Housing Benefit Debts - £535,019. Even in the current economic climate this income stream had shown continued improvement.
- Council Tax Debts - £1,132,689. The overall level of debts had increased and this was reflected in the balances 'subject to court action' during comparable quarters.
- Business Rates Debts - £347,685. The Overall levels of overall debt had dropped slightly. However, balances 'subject to court action' had increased from £94,000 to £135,000.

RESOLVED that the information contained within the report be noted and be reported to both the Scrutiny Committee and Cabinet in the future.

A.24 External Audit 2013/2014 – Audit Findings Report

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

The purpose of the covering report was to introduce the annual report of the external auditor Grant Thornton outlining their findings from their audit of the Council's Statement of Accounts, and the arrangements to secure Value for Money. The report also incorporated a review of WSC's resilience as a Council.

The Associate Director for Grant Thornton outlined its findings and stated that they were satisfied that, in all significant respects, the Council had put in place the proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended March 2014.

RESOLVED (1) that the information regarding the External Audit Findings and the Council's arrangements to secure Value for Money contained within the report be noted.

RESOLVED (2) that the action plan contained within the report be supported.

A.25 Audited Statement of Accounts 2013/2014

(Report No. WSC 135/14, circulated with the Agenda).

The purpose of the report was to ask the Committee to review and approve the audited Statement of Accounts prior to its signature by the Chairman of the Committee and the Section 151 Officer.

The Finance Manager presented the report and gave a brief overview of the four main statements contained within the Statement of Accounts under the following headings:-:

- Movement in Reserves Statement;
- Comprehensive Income and Expenditure Statement;
- Balance Sheet; and
- Cash Flow Statement.

These statements reflected the Council's position on 31 March 2014. The Finance Manager also thanked the Finance Team for their work towards the preparation of the Statement of Accounts.

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

- Referring to paragraph 6.10 in the report relating to the decrease in net cost of services in comparison to previous years, what were the previous year's net costs and why had there been a decrease?
The previous year's figure was £6,540,000 (net revenue spent). The difference could be due to the re-valuation exercise the Council had completed. The Council was also reducing its costs in line with the set budgets.

Members noted the Letter of Representation which was required to be signed by the Section 151 Officer and Chairman of the Audit Committee.

RESOLVED (1) that the Audited Statement of Accounts be noted;

RESOLVED (2) that the Chairman of the Audit Committee signed and dated the balance sheet;

RESOLVED (3) that the Council's Section 151 Officer re-signed and dated the balance sheet;

RESOLVED (4) that the Letter of Representation be approved and signed by the Chairman of the Audit Committee and the Council's Section 151 Officer.

A.26 External Audit 2013/2014 - Certification Plan.

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

The purpose of the report was to set out the process that Grant Thornton would follow in respect of the grant certification work that needed to be undertaken at WSC.

The only claim, which required certification at WSC for 2013/2014 was the Housing Benefit Subsidy Claim.

RESOLVED that the Grant Thornton External Audit 2013/2014 Certification Plan be noted.

A.27 Annual Governance Statement – Actions Update

(Report No. WSC 131/14, circulated with the Agenda).

The purpose of the update was to provide an update on progress against the actions identified within the Annual Governance Statement 2013/2014.

The Corporate Strategy and Performance Manager updated the Committee on the recommendations and actions for improvements, which the Council had received from both Internal and External Auditors. Each recommendation/action would be rated regarding its urgency and level of risk.

Currently, there were 12 actions emerging from audits. Two of these were complete, four were underway and six had not been started.

The Members were presented with a full copy of the Annual Governance Statement with this covering report.

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

- When would the Council's new media policy be presented to Members?
This should be available to Members in December 2014.

RESOLVED that the Annual Governance Statement Action Update be noted.

A.28 South West Audit Partnership Limited (SWAP) – Pensions Guarantee

(Report No. WSC 132/14, circulated with the Agenda).

The purpose of the update was to inform the Audit Committee of the potential employer's pension liability in the future as a result of being a member of the SWAP.

The Audit Manager of SWAP summarised the contents of the report. It was stated that there was a theoretical risk that the SWAP could dissolve and in the event of this happening, WSC would be responsible for 2.31% or £68,399 of the calculated figure in the actuaries report (£2,961,000).

RESOLVED (1) that the guarantee required on pension costs in the very unlikely circumstances they would occur as referred to in the report be noted.

RESOLVED (2) that Full Council be recommended to provide a guarantee in relation to a possible financial liability in respect of possible employers' pension liabilities in the future.

A.29 Corporate Anti-Fraud

(Report No. WSC 136/14, circulated with the Agenda).

The purpose of the update was to advise Members on our progress in developing our approach to Corporate Fraud. It gave information of joint working with other Local Authorities and the SWAP.

The report also informed Members of potential funding opportunities provided by the Department for Communities and Local Government (DCLG) through a bidding process announced in July 2014.

The Assistant Director for Resources summarised the details of the update report regarding the development of a counter-fraud function. The development of this function had been affected by a number of factors including Government announcements, the JMASS project and the creation of the Department of Work and Pension's Single Fraud Investigation Service (SFIs).

SWAP had been approached by a number of District Councils to ascertain if it could develop a joint cross-partner initiative on counter-fraud.

Reported that WSC, TDBC and South Somerset District Council had been working together and had submitted a joint bid for funding from the DCLG.

The bid had suggested that match funding of £40,000 could be made available by partner authorities in 2015/2016.

The outcome of the bid was anticipated at the end of October 2014.

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

- Had officers approached SCC to provide assistance and support?
SCC was not able to provide financial support but in principal their position was that WSC had majority responsibility for Tax Collection.
- Did only having three named applicants preclude other partners from being involved in the future?
The three named applicants did not preclude or exclude more partners from joining or coming on board in the future.

RESOLVED (1) that the update report on Corporate Anti-Fraud be noted.

RESOLVED (2) that the Cabinet and Full Council be recommended to approve the necessary match funding of up to £10,000 to develop a cost-effective Corporate Anti-Fraud function.

The meeting closed at 3.40 pm.