

AUDIT COMMITTEE

Minutes of the Meeting held on 26 March 2012 at 4.30 pm in the Council Chamber, Williton

Present

Councillor A H Trollope-BellewChairman
Councillor E May Vice Chairman

Councillor M J Chilcott
Councillor P H Murphy

Councillor K M Mills
Reverend V Woods

Members In Attendance

Councillor K V Kravis

Officers In Attendance

Corporate Director (B. Lang)
Section 151 Officer (G. Carne)
Group Manager – Housing & Community (I. Timms)
Principal Accountant (S. Plenty)
Meeting Administrator (H. Dobson)

Also In Attendance

Alun Williams, District Auditor, Audit Commission
Claire Hodgson, Audit Manager of South West Audit Partnership (SWAP)

A50 Apologies for Absence

Apologies for absence were received from Councillors R P Lillis and S Y Goss.

A51 Minutes

(Minutes of the Meeting of Audit Committee held on 1 December 2011 and Special Committee held on 8 February 2012, circulated with the Agenda).

RESOLVED that, subject to an amendment to both minutes that A M Chilcott be changed to M J Chilcott, the Minutes of the Meeting of Audit Committee held on 1 December 2011 and Special Committee held on 8 February 2012 be confirmed as a correct record.

A52 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 P H Murphy | All | Watchet | Personal | Spoke and voted |

A53 Public Participation

No members of the public had requested to speak.

A54 Audit Committee Action Plan

(Action Plan, circulated with the Agenda).

The Section 151 Officer advised that once actions from the February Audit Committee meeting had been added an updated plan would be circulated to the Committee.

RESOLVED that the Audit Committee Action Plan be noted.

A55 Audit Committee Forward Plan

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

The Section 151 Officer advised of a proposed training session to look at the draft statement of accounts. He noted the request to produce a flow chart showing how and when the various finance reports feed into each other throughout the year and that it could be included in the training session.

Members noted that a review of all audit recommendations made throughout the year would be conducted and the results reported to the Audit Committee at their meeting scheduled in June 2012.

RESOLVED that the Audit Committee Forward Plan be noted.

RESOLVED that a training session to look at the draft Statement of Accounts be held on 20 June 2012, at 5.00 pm.

A56 Quarterly Review of Internal Audit Activity

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

The purpose of the report was to provide a review of the Internal Audit activity plus any significant control weaknesses that remain unresolved.

The Audit Manager of SWAP outlined the details in the report and advised that the Audit Charter at Appendix A, attached to the report, related to item 8 on the agenda.

The Section 151 Officer noted the request that a sample of level 1, 2 and 3 recommendations be available to view at the next Audit briefing meeting.

A query was raised as to whether the number of level 1, 2 and 3 recommendations were increasing. The Audit Manager of SWAP confirmed that she would be able to include that information in future reports.

RESOLVED that the Quarterly Review of Internal Audit Activity report be noted.

A57 Internal Audit Plan 2012/13

(Internal Audit Plan 2012/13, circulated with the Agenda).

The purpose of the report was to inform the Audit Committee of the proposed work to be undertaken by Internal Audit during 2011/12.

In response to a question regarding the audit of Committee Reporting – Member Decisions, the Audit Manager of SWAP advised that the audit had not been scoped in full yet, but it was likely that SWAP would look at whether information that had been presented to members to make decisions was complete and timely etc.

A query was raised as to whether the audit would look at whether members had training on public sector equality. The Audit Manager for SWAP confirmed that she would be able to include that in the audit.

The Section 151 officer gave assurance regarding concerns the scope of the Hinkley operational audit, he advised that so far some 106 monies had been received some of which had been passed on. The payment process was being carried out in a steady manner and being checked for accuracy and in accordance with the schedules. A dedicated officer had recently been appointed and would be carrying out these duties.

RESOLVED that the Internal Audit Plan 2012/13, be noted.

A58 Internal Audit Charter 2012-13

(Report No. WSC 53/12, circulated with the Agenda).

The purpose of the report was to provide a review of the Internal Audit Charter and approve any changes.

RESOLVED that the Internal Audit Charter 2012-13 be approved.

A59 Future of the Audit Commission

The District Auditor provided an update on the future of the Audit Commission and advised that the results of the procurement exercise to outsource the work was complete. Grant Thornton would be the District Auditors for this Council in September 2012 and the current Audit Commission staff would be transferred by TUPE arrangements in November 2012. During the interim period, between September and November, the District Auditor would have a watching brief. However, he did not anticipate any problems, as work on the Council's accounts for 2012/13 wouldn't start until about October/November.

Members raised concern that despite most services being passed onto other organisations such as, the Local Government Association, other services, such as, research and publications, currently had not and may be lost.

RESOLVED that the update on the future of the Audit Commission, be noted.

A60 Opinion Audit Plan 2011/12

(Opinion Audit Plan 2011/12, circulated with the Agenda).

The District Auditor of the Audit Commission presented the report and advised that the plan sets out the key areas of work, how the Audit Commission fulfil their responsibilities and gives a brief outline of how the overall procedures were followed.

During the course of the discussion the following points were raised/addressed:

- The fee charged by the Audit Commission reflected the amount of work to be carried out. West Somerset Council's fee was quite low compared to other authorities and might be reduced further as some of the work was stopped.
- Great concern was expressed regarding the Hinkley Point C monies that would pass through the Council. Was there insurance to guard against 'clawback' should a wrong payment be made? In response the Section 151 Officer advised that there was a memorandum of understanding in place to ensure the money was discharged according to the obligations. He recognised that it was a large area of risk and noted that Councillor M J Chilcott wished to be included in the group that would look to mitigate the risks.
- The Audit Commission had looked at the community assets on the authority's asset register and had not identified any heritage assets to date. The Audit Commission were of the opinion that should any be identified in the future that it was unlikely that they would be material.

RESOLVED that the Audit Commission's Opinion Audit Plan for 2011/12 be noted.

A61 Accounting Policies – 2011/12 Statement of Accounts

(Report No. WSC 55/12, circulated with the Agenda).

The purpose of the report was to request that members of the Audit Committee approve the Accounting Policies for 2011/12 so that the Statement of Accounts could be prepared on this basis.

The Lead Member for Resources and Central Support advised that the Accounting Policies must be updated in line with Code of Practice on Local Authority Accounting and adapted where necessary for local practices.

In response to the use of some of the wording within the policies the Section 151 Officer advised that a standard set of words were provided by CIPFA, which makes it easier to demonstrate that the Council were meeting the requirements of the guidance.

Members noted that the policies were a living document and could be amended if necessary to comply with actual event that were to be reported in the 2011-12 Statement of Accounts.

RESOLVED that the Accounting Policies 2011-12, be approved.

The meeting closed at 6.05 pm.