

## **AUDIT COMMITTEE**

### **Minutes of the Meeting held on 19 July 2013 at 2.30 pm in the Council Chamber, Williton**

#### **Present**

Councillor S Goss .....Chairman  
Councillor M J Chilcott.....Vice Chairman (for this meeting)

Councillor M O A Dewdney

#### **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**

Peter Lappin, Audit Manager, Grant Thornton  
Ian Baker, Group Audit Manager of South West Audit Partnership (SWAP)

#### **A1 Apologies for Absence**

Apologies for absence were received from Councillors E May, D D Ross, R P Lillis and D J Sanders.

#### **A2 Appointment of Vice-Chairman**

**RESOLVED** that Councillor M J Chilcott be appointed Vice-Chairman for the meeting.

#### **A3 Minutes**

(Minutes of the Meeting of Audit Committee held on 25 March 2013, circulated with the Agenda).

**RESOLVED** that the Minutes of the Meeting of Audit Committee held on 25 March 2013 be confirmed as a correct record.

#### **A4 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

**A5 Public Participation**

No members of the public had requested to speak.

**A6 Audit Committee Action Plan**

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

Members noted the confirmation that the action to implement a Contracts Register was a priority 4, however, due to limited resources it was decided that a realistic date for implementation was 31 March 2014.

**RESOLVED** that the Audit Committee Action Plan be noted and that all completed actions be deleted.

**A7 Audit Committee Forward Plan**

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

**RESOLVED** that the Audit Committee Forward Plan be noted.

**A8 West Somerset Council Audit Plan 2012/13**

(West Somerset Council Audit Plan 2012/13, circulated with the Agenda).

The purpose of the report was to provide the Committee with Grant Thornton's plan of the work for the year ended March 2013.

The Audit Manager, Grant Thornton, presented the report which sets out the work to be undertaken in order to provide an opinion on the Council's financial statements and value for money conclusion for 2012/13 and highlighted the challenges/opportunities facing the Council. Further, that the fees for 2012-13 had been reduced by 40% when compared to the previous year.

In response to a question the Audit Manager confirmed that there would be an increase in external audit work relating to the Hinkley Point C development and there would be no impact to the audit fee.

**RESOLVED** that the West Somerset Council Audit Plan 2012/13, be noted.

**A9 Certification Plan 2012/13**

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

The Audit Manager, Grant Thornton, presented the report which sets out the certification work to be undertaken for 2012/13: housing benefit and council tax

benefit, and national non-domestic rates return. A report would be presented to the Audit Committee of the findings at the end of the year.

**RESOLVED** that the Grant Thornton's Certification Plan 2012/13, be noted.

**A10 Audit Update Report**

(Audit Update Report, circulated with the Agenda).

The purpose of the report was to provide the Audit Committee with an update in progress from Grant Thornton in delivering its responsibilities as West Somerset Council's external auditors.

The Audit Manager, Grant Thornton, raised the Members awareness regarding the issues happening nationwide, as set out in the report, attached to the agenda.

**RESOLVED** that Grant Thornton's Audit Update Report, be noted.

**A11 Fees Letter 2013/14**

(Fees Letter 2013/14, circulated with the Agenda).

Members noted that the grant certification fee had reduced.

**RESOLVED** that Grant Thornton's Fee Letter for 2013/14, be noted.

**A12 Internal Audit Annual Report and Opinion**

(Internal Audit Annual Report and Opinion, circulated with the Agenda).

The purpose of the report was to provide a review of the Internal Audit activity for the period April 2012 to March 2013 and an opinion to support the Annual Governance Statement.

The Group Audit Manager, SWAP, reported that in summary only one audit received partial assurance, 'Delivery of Major Projects – Risk Management', and that four of the recommendations had already been addressed. The Council's management response to the recommendations were taken into consideration when providing an opinion. He was able to provide reasonable assurance in respect of the areas reviewed during the year.

In response to a request from the Committee, the Group Audit Manager advised that he would provide detail of the priority level 3 recommendations after the meeting.

**RESOLVED** that the Internal Audit Annual Report and Opinion be noted.

**A13 Internal Audit Charter**

(Internal Audit Charter, circulated with the Agenda).

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

The Group Audit Manager, SWAP, advised that the Internal Audit Charter had changed slightly to reflect the new governance arrangements, as set out in the footnotes of the report and the head of SWAP was now it's Chief Executive. He assured the Committee that the key changes associated with the UK Public Sector Internal Audit Standards (PSIAS), as listed on page 52 on the agenda, had already been implemented by SWAP.

Members noted that the Quality Assurance Improvement Plan would be reported to a future meeting of the Audit Committee.

**RESOLVED** that the Internal Audit Charter, be noted.

#### **A14 Annual Governance Statement 2012/13**

(Report No. WSC 88/13, circulated with the Agenda).

The purpose of the report was to request the Audit Committee to review the Annual Governance Statement prior to its signature by the Leader of the Council and the Chief Executive.

The Section 151 Officer advised that the statement was based on CIPFA's code and had been adapted to suit the Council's requirements.

**RESOLVED** that the Annual Governance Statement, attached as Appendix A to the report, be approved.

#### **A15 Unaudited Statement of Accounts 2012/13**

(Report No. WSC 91/13, circulated with the Agenda).

The purpose of the report was to present to Audit Committee the unaudited accounts for the year ended 31 March 2013.

The Deputy Section 151 Officer reported that auditors were currently working on the draft Statement of Accounts for 2012/13. He was able to confirm that the benefits admin grant did not cover the Council's cost to administer the work. In response to Members concerns he confirmed that he would look back at previous years to determine if this year was the first time the grant did not cover the Council's expenses and whether other authorities were in a similar situation and report back in September 2013. The Section 151 Officer advised that she would raise the issue at the next meeting of Somerset finance officers.

Members noted that:

- the Earmarked Reserves would be reviewed next by Council in the second quarter, July – September 2013, and
- the Section 151 Officer would confirm after the meeting when the Actuarial Review of the Pension Fund would be available for the Audit Committee to consider at a future meeting.

**RESOLVED** that the unaudited Statement of Accounts 2012/13, be noted.

**A16 Annual Review of Internal Audit**

(Report No. WSC 87/13, circulated with the Agenda).

The purpose of the report was to inform the Audit Committee of the recent review of the effectiveness of the delivery on Internal Audit through SWAP (South West Audit Partnership) during 2012/13.

The Section 151 Officer had undertaken the review of SWAP on behalf of West Somerset Council the findings of which were set out in the report, attached to the agenda. Her findings have led her to believe that the internal audit function, as provided by SWAP, was effective.

**RESOLVED** that the findings of the Annual Review of Internal Audit, be noted.

**A17 Debt Analysis – as at 31 March 2013**

(Report No. WSC 92/13, 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 31 March 2013.

The Audit Committee thanked officers for the information and for being kept up to date on a regular basis on the Council's level of outstanding debts.

**RESOLVED** that the debt analysis, as at 31 March 2013, be noted.

The meeting closed at 3.15 pm.