

## SWT Audit and Governance Committee - 27 September 2021

Present: Councillor Lee Baker (Chair)

Councillors Ed Firmin, Simon Coles, Hugh Davies, Dawn Johnson, Andy Milne, Martin Peters, Steven Pugsley, Terry Venner and Sarah Wakefield

Officers: Paul Fitzgerald, Sian Hedger, Jackson Murray, Steve Plenty, Clare Rendell and Amy Tregellas

Also Present: Councillors Vivienne Stock-Williams, Loretta Whetlor, Alison North and Dyson

(The meeting commenced at 6.15 pm)

### 33. Apologies

An apology was received from Councillor Janet Lloyd.

### 34. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr L Baker	All Items	Cheddon Fitzpaine & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke and Voted
Cllr H Davies	All Items	SCC	Personal	Spoke and Voted
Cllr A Milne	All Items	Porlock	Personal	Spoke and Voted
Cllr M Peters	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr T Venner	All Items	Minehead	Personal	Spoke and Voted

### 35. Public Participation

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

### 36. Financial Management Code Compliance and Self-Assessment

During the discussion, the following points were raised:-

- Councillors queried whether a yearly update would be added to the Forward Plan.

*Officers advised that the report would be added to the Forward Plan.*

- Councillors requested clarification on some of the wording used within the report.

*The Interim Strategic Finance Advisor stated that the wording used was guidance from the Prudential Code which was published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and that the document set out good practice for public body activities and that if the Council decided to disregard any guidance, a statement would have to be made with the reasons why.*

**Resolved** that the Audit and Governance Committee noted:

- a) The requirement to implement the Financial Management Code from 1st April 2021.
- b) The findings of the Financial Code Self-Assessment as compliant.
- c) The findings and evidence provided in the assessment and future enhancements proposed.

### 37. **Annual Governance Statement 2020/21**

During the discussion, the following points were raised:-

- Councillors queried why the new Standards Committee had not held a meeting yet.  
*The Monitoring Officer advised that there had not been any need to hold a meeting of the Standards Committee. However, a meeting would be needed in the New Year, as there were some constitutional issues that required debate.*
- Councillors queried what progress had been made on implementing a committee structure, as debated at the Special Full Council meeting on 29 April 2021.  
*The Monitoring Officer advised that the resolution was to recommend that a committee structure would be suggested to the Shadow Council.*
- Concern was raised on the outstanding action for data quality and councillors wanted reassurance that this was not related to General Data Protection Regulations (GDPR) and that action was being taken.  
*The Monitoring Officer advised that the action was on data quality and not GDPR. The data related to committee reports and that the quality levels were upheld.*

**Resolved** that the Audit and Governance Committee approved the Annual Governance Statement and Action Plan for 2020/21.

### 38. **Somerset West and Taunton Council Audit Findings Report 2020/21**

During the discussion, the following points were raised:-

- The External Auditor updated the Committee on several points that had changed since the publication of the agenda and an addendum would be distributed along with the Statement of Accounts for councillors.
- Councillors queried the list of assets included within the report and that there were potentially some missing.

*The External Auditor advised that officers were carrying out checks on old leases and that some information was not clear on the assets that were owned by the predecessor councils, which were then transferred to the SWT.*

- Councillors queried if the amount levels that had been set for asset checks could be challenged, as £99,000 seemed quite high.  
*The External Auditor advised that it was a national standard but understood their concern.*
- Concern was raised on missing forms for register of interest which was mentioned in the report.  
*The Monitoring Officer advised that the missing forms were for related party transactions and not register of interests.*
- Councillors requested clarification on the part constructed builds which had been included within the accounts.  
*The Section 151 Officer explained that the costs had been included in the last years accounts under construction and not inventory.*
- Councillors queried who chose the valuers.  
*The Section 151 Officer advised that the decision would have gone through the procurement process.*

**Resolved** that the Audit and Governance Committee:-

- 2.1 Noted the Audit Findings Report in respect of Somerset West and Taunton Council's Statement of Accounts 2020/21.
- 2.2 Approved management's proposed treatment of unadjusted misstatements, as set out in Appendix C of the Audit Findings Report.
- 2.3 Noted the Auditor's Opinion in relation to the Statement of Accounts and interim findings in respect of Value for Money arrangements.

### 39. **Assessment of Going Concern for 2020/21 Accounts**

**Resolved** that the Audit and Governance Committee reviewed and noted the assessment made of the Council's status as a "going concern" as a basis for preparing their 2020/21 Statement of Accounts.

### 40. **Somerset West and Taunton Council Statement of Accounts 2020-21**

During the discussion, the following points were raised:-

- Concern was raised on whether SWT had enough reserves in case another Non-Domestic Rates challenge was submitted by Hinkley Point.  
*The Section 151 Officer advised that yes there were enough reserves to cover that type of risk, as he was aware that this had happened in the past.*
- Councillors queried why there had been an increase in members expenses during a time of lockdown.  
*The Finance Specialist would need to check the figures.*
- Councillors queried why there were no bonds or deposits included in the accounts.  
*The Finance Specialist advised that on page 77, for Strategic Investments, the deposit fund had been reclassified elsewhere.*

- Councillors queried the deficit for Non-Domestic Rates and how it was going to be off set.  
*The Finance Specialist advised that it related to timings and the differences between rate reliefs, non-domestic rate refunds and covid grants. The Government were liable for 50% and that the figures should be corrected in the following financial year.*
- Councillors queried why the total financial liability had increased.  
*The Finance Specialist advised that it related to the long-term and short-term borrowing and that there were more external loans in the commercial investment.*
- Councillors queried what other checks were carried out on the Council's borrowing.  
*The Section 151 Officer advised that information was provided in other reports that went through the democratic pathway.*
- Councillors reminded their colleagues to complete their related party transaction forms.
- Councillors thanked officers for all their hard work.

**Resolved** that the Audit and Governance Committee:-

- a) Noted the Auditor's unqualified opinion on the Statement of Accounts.
- b) Approved the 2020/21 Statement of Accounts as attached to this report.
- c) Endorsed the Chairman of the Committee to sign the Management Letter of Representation in respect of the financial statements for the year ended 31 March 2021.

(The Meeting ended at 8.00 pm)