

South Somerset District Council

Minutes of a meeting of the Audit Committee held at the Main Committee Room, Council Offices, Brympton Way, Yeovil BA20 2HT on Thursday 28 August 2014.

(10.00 - 11.50 am)

Present:

Members: Councillor Derek Yeomans (Chairman)

Ian Martin	Terry Mounter
John Dyke	David Norris
Tony Lock	Colin Winder

Officers

Anne Herridge	Democratic Services Officer
Amanda Card	Finance Manager
Gary Russ	Procurement and Risk Manager

Also Present:

Tim Carroll	SSDC Councillor
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13. Minutes (Agenda Item 1)

The minutes of the meeting held on the 26th June 2014, copies of which had been circulated, were taken as read and, having been approved as a correct record were signed by the Chairman.

14. Apologies for absence (Agenda Item 2)

An apology for absence was received from Cllr John Calvert.

15. Declarations of interest (Agenda Item 3)

There were no declarations of interest.

16. Public question time (Agenda Item 4)

There were no members of the public present.

17. Date of the Next Audit Committee Meeting (Agenda Item 5)

Members noted that the next scheduled meeting of the Audit Committee would be held on **Tuesday 23rd September at 10.00 am** in the Main Committee Room, Council Offices, Brympton Way Yeovil.

18. Debt Management Policy (Agenda Item 6)

The Finance Manager presented the more detailed Debt Management Policy report which members had requested at the Audit Committee in November 2013. They had wanted more information relating to not only Sundry debtors, but Council Tax and National Non – Domestic Rates (NNDR) as well.

The Finance Manager made reference to the graph on page 2 of the report that showed the Level of Outstanding Debt Volume. She explained that the high peak indicated in October was due mainly to the half yearly invoices sent out by the Licensing Service, however in future they were due to stagger the dates their invoices were sent out.

In response to queries regarding the graphs in the report the Finance Manager confirmed that she would include simpler graphs in the next Debt Management Policy report, she assured members that the Debt Management Policy was working effectively but Managers had to adhere to the Policy

In response to further queries she replied that:

- In future an extra column would be added to the table to indicate the proportion of the value of Council Tax and NNDR write offs over the past 3 years;
- There was a typo on page 7 of the agenda report that showed an incorrect total of the value of write off's over the past 3 years;
- Debt is only written off as a last resort when other means of collection have been exhausted;
- Contractual relationships have to be safeguarded, the Debt Management Policy needs further work to enable managers to be more robust in collecting unpaid invoices;
- Outstanding Development Control debt related mainly to S106 monies. Councillors should contact the officer direct if they wanted more detailed information.
- It was recognised that Building Control were now in a competitive market.

The Procurement and Risk Manager in attendance at the meeting explained that managers needed skilling up and needed to check the credit worthiness of any commercial businesses that they used, they also needed to be made more aware of the risk involved in the commercial market particularly as more franchises were now being used. Commercial debt could not be written off in the same way and more time should be set aside by managers for collecting outstanding debt and to be more pro-active in collecting bad debts.

RESOLVED:

1. That Audit Committee note the positive impact that the Debt Management Policy has had on debt levels

2. That Service Managers take a more proactive approach to Debt Management

19. Treasury Management Performance to June 2014 (Agenda Item 7)

The Finance Manager presented the report on behalf of her colleague. She confirmed that the position at the end of the financial year was currently estimated to be a surplus of approximately £53,000.

The outturn position was affected by both the amount of cash available to invest and the interest base rate set by the Bank of England. Balances were affected by the timing of capital expenditure and the collection of council tax and business rates. Arlingclose were predicting a rate increase for September 2015.

In response to a query the officer explained the leases referred to in Prudential Indicator 4 were for Streetscene vehicles.

RESOLVED:

That the Audit Committee:

- Noted the Treasury Management Activity for the three-month period ended 30th June 2014.
 - Noted the position of the individual prudential indicators for the three-month period ended 30th June 2014.
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20. Register of Staff Interests - Annual Report (Agenda Item 8)

Audit Committee members noted the annual Register of Staff Interests report.

21. Risk Appetite Setting (Agenda Item 9)

The Procurement and Risk Manager presented the report as detailed in full in the agenda. He explained that the purpose of the report had been to establish whether SSDC's Management Board felt the risk appetite bar was set correctly in relation to the amount or impact of the risk that it was prepared to accept. It had been decided to reset the line in terms of Likelihood to be reset to Possible.

Members were content to note the content of the report.

RESOLVED:

That Audit Committee members noted the report.

22. Audit Committee - Forward Plan 2014/2015 (Agenda Item 10)

Audit Committee members noted that September would be a busy month in terms of the number of items on the agenda for that meeting.

RESOLVED:

That the Audit Committee noted the forward plan as attached at Appendix A.

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Chairman

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Date