

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 25 February 2016.**

(10.00 am - 10.30 am)

Present:

Members: Councillor Derek Yeomans (Chairman)

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| Jason Baker | Graham Middleton |
| Mike Best | David Norris |
| Carol Goodall | Colin Winder |
| Val Keitch | |

Officers

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| Donna Parham | Assistant Director (Finance & Corporate Services) |
| Karen Gubbins | Principal Accountant (Exchequer) |
| Becky Sanders | Democratic Services Officer |

Also Present:

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| David Johnson | Audit Manager, Grant Thornton |
| Moya Moore | Assistant Director, South West Audit Partnership |

58. Minutes (Agenda Item 1)

The minutes of the meeting held on 28 January 2016 were approved as a correct record and signed by the Chairman.

59. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Councillors Mike Beech and Tony Lock.

60. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

61. Public question time (Agenda Item 4)

There were no members of public at the meeting.

62. Date of next meeting (Agenda Item 5)

Members noted the next meeting of Audit Committee was scheduled for 10.00am on Thursday 24 March 2016 in the Main Committee Room, Brympton Way, Yeovil.

63. Certification of Claims Report (Agenda Item 6)

David Johnson, Audit Manager at Grant Thornton, presented the report from the external auditors on their findings from the signing off of the Housing Benefit Subsidy claim 2014/15. He referred to the errors as detailed in Appendix A and noted that although the errors were very small they had to be reported.

The Assistant Director noted that unfortunately there would always be an element of human error, but each year improvements were made, and overall the result was a good one.

Members were content to note the report.

RESOLVED: That the Certification of Claims Report for 2014/15 be noted.

64. Treasury Management Performance to December 2015 (Agenda Item 7)

The Principal Accountant (Exchequer) presented the report which reviewed the treasury management activity and performance against Prudential Indicators for the nine months ended 31 December 2015.

She noted an update had been received from Arlington Close, which advised they predicted no interest rate rise until September 2018. During a short discussion the Principal Accountant responded to points of detail and clarified that:

- Point 12 – future reports would include the number of units held in the property fund.
- Point 20 – the sentence should read that the overall estimate for capital expenditure has decreased, and not increased as printed in the agenda.

In response to a query, the Assistant Director explained in more detail the ceiling referred to in point 35, and that it was an ability to borrow funds if needed.

Members were content to note the Treasury Management Activity and position of the individual prudential indicators.

RESOLVED:

- That the Treasury Management Activity for the nine month period ended 31 December 2015 be noted.
- That the position of the individual prudential indicators for the nine month period ended 31 December 2015 be noted.

65. 2015/16 SWAP Internal Audit Quarter 3 Update Report (Agenda Item 8)

The Assistant Director (South West Audit Partnership – SWAP) presented the report as detailed in the agenda and highlighted some points including:

- The progress of operation audits.
- No special reviews or investigations had been undertaken.
- Updated that an Audit of Property Services, as detailed near the end of appendix B, had now been started.

The Assistant Director (Finance and Corporate Services) also advised that two audits had been removed from the plan:

- Lean Thinking Benefit Realisation – it was no longer felt appropriate to continue with this Audit as the authority was moving towards transformation.
- Leisure Centre / Hub Contract Compliance – as there was no longer a contract with The Hub.

The Assistant Directors noted the training session mentioned at the end of the covering report would be deferred to the next meeting as it was felt it would be more beneficial to do so when looking at the new Internal Audit Plan for 2016/17.

Members were content to note the progress made.

RESOLVED: That the progress made on the 2015/16 Annual Internal Audit Plan be noted.

66. Audit Committee Forward Plan (Agenda Item 9)

The Assistant Director (Finance and Corporate Services) noted that some of the reports scheduled for March might be rearranged in order for the training session regarding Internal Audit to be held at the end of the next meeting on 24 March.

RESOLVED: That the Audit Committee Forward Plan be noted.

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Chairman