

South Somerset District Council

Draft Minutes of a meeting of the **Audit Committee** held in the **Council Chamber B, Council Offices on Thursday 23 January 2020.**

(10.00 am - 11.00 am)

Present:

Members: Councillor Martin Carnell (Chairman)

Robin Bastable
Mike Best
Malcolm Cavill

Mike Hewitson
Robin Pailthorpe
Jeny Snell



Officers

Barrie Morris
Beth Garner
Alastair Woodland
Ian Potter
Kim Arthur
Nicola Hix
Paul Matravers
Becky Sanders

Engagement Lead (Grant Thornton)
Engagement Manager (Grant Thornton)
Assistant Director, SWAP
Lead Specialist (Vulnerable Customers)
Case Officer (Service Delivery)
Interim Section 151 Officer
Specialist (Finance)
Case Officer (Strategy & Commissioning)

Also Present:

Derek Yeomans Independent Member

40. Minutes (Agenda Item 1)

The minutes of the previous meetings held on 24 October 2019 and 28 November 2019 were approved as correct records and signed by the Chairman.

41. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Councillors Dave Bulmer, Brian Hamilton and Paul Maxwell.

42. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

43. Public question time (Agenda Item 4)

No members of the public were present at the meeting.

44. Date of next meeting (Agenda Item 5)

Members noted that the next meeting of the Audit Committee was scheduled for 10.00am on 26 March 2020 in the Council Chamber, Brympton Way, Yeovil.

45. External Audit Progress Report (Agenda Item 6)

The Engagement Lead (Grant Thornton) and Engagement Manager (Grant Thornton) presented the report which detailed Grant Thornton's audit progress for the year ending March 2020 and also provided a sector update. They outlined the process for the 2019/2020 Audit of Accounts and highlighted other key elements in the report. The quality requirements and thresholds for audits was increasing which was leading to additional work, and hence a need to increase fees.

During a short discussion, the representatives for Grant Thornton, the Lead Specialist (Vulnerable Customers) and Case Officer (Service Delivery) responded to points of detail including:

- further detail about the methodology for competing the certification of claims (Housing Benefit).
- Grant Thornton were not auditors for Universal Credit claims.
- Further information about recovery of errors regarding Housing Benefits
- More audit work had been done regarding pensions, property and plant.
- Fees are determined by the PSAA (Public Sector Audit Appointments).

Members thanked officers for the update report and the clear breakdown of costs for audit fees. The Committee were content to note the report and fee increase for the 2019/20 audit.

RESOLVED: That the Audit Committee noted:

- a) The Audit Progress and Sector Update Report
 - b) The additional work and audit fee increase for the 2019/20 audit.
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46. Certification of Claims Report (Agenda Item 7)

The Interim S151 Officer presented the annual report from the external auditors (Grant Thornton) on their findings from the signing off of the Housing Benefit Subsidy Claim for 2018/19. She noted that many points had been discussed under the previous agenda item (External Audit Progress Report).

During a brief discussion, the Interim S151 Officer, Lead Specialist (Vulnerable Customers) and Case Officer (Service Delivery) responded to points of detail about some of the figures mentioned in the report and also how the reserves had been established.

At the end of discussion members were content to note the report.

RESOLVED: That the Certification of Claim Report for 2018/19 be noted.

47. Internal Audit Annual Activity Report 2019/20 (Agenda Item 8)

The Assistant Director (SWAP) presented the update report which detailed progress of the Internal Audit Plan 2019/2020. His highlights to members included:

- the Benefit Realisation statement was in two parts and SWAP were currently working on the second part.
- Page 51 of the agenda (page 12 of the SWAP report) – there was one outstanding action / recommendation for Financial Resilience / Contract Monitoring.

During a very brief discussion the Independent Member asked for some information regarding a point of detail. In response, it was agreed that some previous reports would be sent to the member, and if further information was still required a request could be raised at a future meeting.

Members were content to note the report.

RESOLVED: That the progress made in delivery of the 2019/20 internal audit plan since the previous update in October 2019 be noted.

48. Capital, Investment and Treasury Strategies 2020/21 to 2022/23 (Agenda Item 9)

The Specialist (Finance) presented the report which informed members of the recommended strategy in relation to capital expenditure and financing, investments and treasury management activities. He highlighted the change in format of the report and reminded members that previously separate strategies had been presented, however this new combined report provided a holistic view of the Council's capital, investment and borrowing requirements.

During a short discussion, the Specialist (Finance) and Interim S151 Officer responded to points of detail including:

- The page numbers referred to at paragraph 7 were page numbers in the strategy document and not the agenda.
- Table 14 at paragraph 5.2 of the Investment Strategy – showed the position as at 1 April 2019, therefore many of the recent investment property purchases were not included in the figures.
- Investment assets were re-valued each year.
- A brief overview of the Minimum Revenue Provision (MRP) Policy.
- For 2019/20 it is likely that more investment income will be received than budgeted.

Members welcomed the new format report and were content to note the MRP statement. The Committee also unanimously agreed that the draft Treasury Management Strategy be recommended for approval to the District Executive.

RESOLVED: It was resolved that the Audit Committee:

1. Reviewed and commented on the draft Treasury Management Strategy, and recommended it for approval to the District Executive.
2. Noted the Minimum Revenue Provision statement. (*this is to go to full*)

Council for approval. The figures within the report to the Audit Committee are provisional and dependant on the report going to District Executive in February 2020 so it is anticipated that these will change).

3. Noted the full report and considered suggestions for improvement.

*(Voting: Unanimous to recommend the draft
Treasury Management Strategy to District Executive)*

49. Audit Committee Forward Plan (Agenda Item 10)

There was no discussion, and members were content to note the Audit Committee Forward Plan.

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Chairman