

South Somerset District Council

Minutes of a meeting of the Audit Committee Consultative meeting held via a Virtual Meeting using Zoom meeting software on Thursday 30 September 2021.

(10.00 - 11.00 am)

Present:

Members: Councillor Martin Carnell (Chairman)

Robin Bastable
Mike Best
Dave Bulmer
Brian Hamilton

Mike Hewitson
Tim Kerley
Colin Winder



Officers

Karen Watling
Paul Matravers
Alastair Woodland
Jill Byron
Michelle Mainwaring
Jo Morris

Interim Section 151 Officer
Lead Specialist (Finance)
Assistant Director, SWAP
Monitoring Officer
Case Officer (Strategy & Support Services)
Case Officer (Strategy & Support Services)

Also Present:

Beth Garner
Derek Yeoman
Linda Vijeh

Grant Thornton
Independent Member
Guest

19. Minutes (Agenda Item 1)

The minutes of the meetings from 25 March, 27 May and 29 July 2021 were approved as a correct record, and would be signed by the Chairman.

20. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Councillor Paul Maxwell and Malcolm Cavill and Councillor Colin Winder was present as substitute.

21. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

22. Public question time (Agenda Item 4)

There were no members of the public present.

23. Date of next meeting (Agenda Item 5)

Members noted that the next meeting of the Audit Committee was scheduled for 10am on Thursday 28 October 2021 via Zoom Virtual Meeting Software.

24. Draft (Unaudited) Statement of Accounts (Agenda Item 6)

The Chairman explained to members that the un-audited statement of accounts were being presented to members for discussion in place of an informal workshop that would usually be held before the audited accounts would be signed off. He invited feedback after the meeting to see how members felt about the approach.

The Lead Specialist, Finance (Deputy 151 Officer) introduced the report that presented the 2020/21 un-audited Statement of Accounts to Audit Committee for comment. He explained that audited Statement of Accounts would be brought to the committee on the 25th November for approval. The unaudited statement of accounts were published on the SSDC website by the 31st July 2021, which was the statutory deadline, but has missed the statutory deadline for publishing audited accounts of 30th September.

This year the narrative statement had been revised to provide more information about the strategic direction of the council and gave a more comprehensive picture of the 2020/21 financial performance. The narrative statement would be updated for the audited statements to include updated information on the MTFP that would be presented to District Executive in October. He then proceeded to talk members through each of the core statements.

In response to questions from members, the Lead Specialist, Finance gave the following responses:

- The final set of statements would explain what minus, plus and brackets indicated for each table.
- Further details about the Minimum Revenue Position (MRP) was explained on page 83 of the agenda.
- A further breakdown of Local Government Change reserves would be provided to members.
- S106 money was invested as per Treasury Management Strategy guidelines until needed.

The S151 Officer acknowledged the difficulty members and stakeholders had in reading and understanding the Statement of Accounts. Part of the Redmond Review's recommendations were for councils to produce a standard simplified statement that would aim to enhance understanding of the accounts, and a briefing on this was being brought to the next Audit Committee meeting. She thanked the Lead Specialist and the Finance Team for the work undertaken in producing the accounts.

The Manager, Grant Thornton and The Monitoring Officer both responded to a query about how SSDC accounts would be approved after Local Government Reform and they both gave some insight into what may happen, post-vesting day. It was understood that there would be some formal processes in place to ensure legacy issues relating to accounts and audits were completed.

In response to a query from the Audit Committees independent member, The S151 Officer suggested a written response could be provided to answer the various questions on Opium Power loans, and would take advice from the Monitoring Officer on the best way to relay the information to members.

There were no further questions and at the end of discussions, members were content to note the report.

RESOLVED: Audit members reviewed the draft statement of accounts and noted that it is anticipated that the audited statement of accounts, along with the external auditor's opinion on them, will be presented to its meeting on 25th November 2021.

It was also resolved to hold a training session on the statement of accounts prior to the next Audit Committee and that the feedback from the Audit Committee was that they preferred this approach in the future.

25. 2020/21 Annual Governance Statement (Agenda Item 7)

The Monitoring Officer presented the report for the Annual Governance Statement 2020/21. She highlighted key points in the report including the response to Covid19 and details of the governance arrangements in place for remote meetings. There had been an internal audit review that gave substantial assurance to how the Covid19 grants were dealt with. In summary, overall it was a positive governance report.

There were no questions from members and on being put to the vote, was approved unanimously.

RESOLVED: That Audit Committee recommend to the Chief Executive that the draft 2020-21 Annual Governance Statement be approved.

(Voting: Unanimous)

26. Update from Audit Committee Terms of Reference Working Group (Agenda Item 8)

The Assistant Director, SWAP presented the report that gave members an update on the progress made by the Audit Terms of Reference (ToR's) working group.

The group met on the 1st September and reviewed the current ToR's against the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and explained why there may be variances between the two.

He drew member's attention to the comparison table in the report and highlighted some of the gaps in the current ToR's. The next steps would be to clearly identify the nature of agenda items that would need to be presented to the Audit Committee to meet the requirements of that ToR. This would then be brought back to the Audit committee for review and consideration.

There were no questions and members were content to note the report.

RESOLVED: Members noted the update report following the Terms of Reference Working Group.

27. Audit Committee Forward Plan (Agenda Item 9)

Members agreed that there was a need for a training session in order to approve the statement of accounts before the November meeting. The Lead specialist Finance would be happy for members to submit any questions they had before the training session so that they could have adequate time to ensure comprehensive responses.

RESOLVED: Audit members noted the Forward Plan and agreed to add the following items;

- Appointment of PSAA as continuing to appoint external auditors to the authority – November 21
 - Training session for Audit members in order to approve the Statement of Accounts.
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Chairman