

At a Meeting of the **AUDIT COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **22nd** day of **JULY 2014** at **11.00 am**.

Present

Cllr D K A Sellis – Chairman
Cllr K Ball
Cllr T J Hill
Cllr M Morse

Head of Finance & Audit
Chief Internal Auditor
Chief Accountant
Committee & Ombudsman Link Officer

In attendance:

Cllr D E Moyse
Cllr D Whitcomb
Mr S Johnson – Grant Thornton

AC 9 APOLOGY FOR ABSENCE

An apology for absence was received from the Vice-Chairman, Cllr J B Moody.

***AC 10 CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 10th June 2014, were confirmed and signed by the Chairman as a correct record.

***AC 11 DRAFT STATEMENT OF ACCOUNTS 2013/2014**

The Chief Accountant presented a report (page 6 to the Agenda) summarising the net revenue and capital expenditure of the Statement of Accounts. The draft accounts showed an underspend of £170,000, which was a significant achievement in that the anticipated underspend reported to the Resources Committee in January 2014, was £140,000.

The Committee was advised that the Council's net revenue budget of £7.830m was funded through the Central Government Grant New Homes Bonus of £353,000, National Non-Domestic Rates baseline funding of £1.440m, Revenue Support Grant of £2.164m, the transfer of Collection Fund balance of £0.076m and Council Tax of £3.797m. The Council's capital expenditure amounted to £0.490m.

The Committee was further advised that the accounts would be audited by the Council's external auditors, Grant Thornton, during July and August and would be brought back to the Committee at its Meeting on 23rd September 2014.

Two appendices were presented with the report with Appendix A being the un-audited Statement of Accounts for 2013/2014 (page 11 to the Agenda) and Appendix B being the Technical Appendix to the Financial Statements (page 73 to the Agenda). These documents contained the Council's Financial Statements in full, including details of the Comprehensive Income and Expenditure Account, Balance Sheet and Collection Fund together with statements setting out movements in reserves and cash flows. The Committee was pleased to note that the Council's officers working closely with Grant Thornton had "de-cluttered" the accounts, reducing the number of pages by 25%.

It was **RESOLVED** that the Draft Statement of Accounts together with the technical appendix for the financial year ending 31st March 2014 and the increased level of underspend be noted.

***AC 12 SYSTEM OF INTERNAL CONTROL AND ANNUAL GOVERNANCE STATEMENT 2013/14**

The Head of Finance & Audit (S.151 Officer), the Monitoring Officer and the Chief Internal Auditor presented a joint report (page 88 to the Agenda) with sufficient information to allow the Committee to independently examine the draft Annual Governance Statement and the supporting processes and evidence. In so doing, the public would be assured that the Council had a sound framework of governance and internal control to exercise its functions and risk management. Under the Accounts and Audit (Amendment)(England) Regulations 2011, the Council was required to show that:

- (i) it has conducted an internal review of the effectiveness of its governance framework, including the system of internal control, and reported on this in the governance statement;
- (ii) the assurance framework was fully embedded in the Council's business processes; and,
- (iii) the governance arrangement with respect to partnerships were subjected to regular review and updating.

Two appendices were presented with the report; Appendix A being a graphic depiction of the framework for the System of Internal Control and Annual Governance Statement (page 100 to the Agenda); and, Appendix B being the Annual Governance Statement for 2013/2014 (page 101 to the Agenda).

The Committee was further advised that a report was to be presented to Council seeking authority for the Audit Committee in the future to approve the Annual Governance Statement where, previously, this had required Council approval.

It was **RESOLVED** that the draft Annual Governance Statement for 2013/2014, together with the supporting evidence, be approved
(Cllr K Ball left the Meeting at 12.10 pm.)

***AC 13 HOUSING BENEFIT SUBSIDY CERTIFICATION WORK PLAN FOR WEST DEVON BOROUGH COUNCIL**

Grant Thornton presented a report (page 119 to the Agenda) on the work undertaken by the Council's external auditors in relation to grant certification work on behalf of the Audit Commission.

Changes in government funding had reduced the amount of certification work required with council tax benefit and national non-domestic rates return no longer needing to be certified. The Audit Commission had, as a consequence, reduced the indicative fee for the certification work and the set fee of £6,600 was based on the assumption of the work progressing without hinder and within the time frame.

The Head of Finance & Audit further reported that it was possible that the Council's external auditors, currently Grant Thornton, could change in the near future and a verbal update will be given at the next meeting of the Audit Committee. Representations would be made to the Audit Commission to retain the current external auditors as they carry out the same role for the Council's partnership authority, South Hams District Council and to maintain continuity.

It was **RESOLVED** that the report be noted.

***AC 14 PLANNED AUDIT FEE FOR 2014/15**

Grant Thornton presented a letter (page 125 to the Agenda) setting out their proposed work programme for 2014/2015 together with the prescribed fee for the work. The Audit Commission had not increased the fee level for 2014/2015, keeping it at £51,628, the same as set for 2013/2014, and for this Grant Thornton would audit the Council's financial statements, make a value for money conclusion based on the economy, efficiency and the effective use of Council resources, and work on the Council's whole government accounts return.

The letter further detailed an audit timetable.

It was **RESOLVED** that the letter be noted.

***AC 15 AUDIT COMMITTEE UPDATE FOR WEST DEVON BOROUGH COUNCIL**

Grant Thornton presented a report (page 129 to the Agenda) detailing the progress being made on delivering the agreed audit programme for 2013/2014. The report also made mention of a Guide to Local Authority Accounts which had been prepared by Grant Thornton and copies of which had been circulated to Members of the Committee with this Meeting's agenda.

It was **RESOLVED** that the report be noted.

(The Meeting terminated at 12.47 pm.)