

At a Meeting of the **AUDIT COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **25th** day of **NOVEMBER 2014** at **11.00 am**.

Present:
Cllr D K A Sellis – Chairman
Cllr J B Moody – Vice-Chairman
Cllr T Hill
Cllr M Morse

Substitute: Cllr J Sheldon

Finance Community of Practice Lead
Finance Business Partner (AW)
Accountant (DB)
Committee & Ombudsman Link Officer

In attendance: Mr S Johnson – Grant Thornton Audit Manager

AC 23 APOLOGY FOR ABSENCE

An apology for absence was received from Cllr K Ball (Substitute Cllr J Sheldon).

***AC 24 DECLARATIONS OF INTEREST**

No declarations of interest were made.

***AC 25 CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 23rd September 2014, were confirmed and signed by the Chairman as a correct record.

AC 26 MID YEAR PRUDENTIAL INDICATOR AND TREASURY MANAGEMENT MONITORING REPORT 2014-2015

The Finance Community of Practice Lead presented a report (page 6 to the Agenda) highlighting the key changes to the Council's capital activity (the prudential indicators), the economic outlook and the treasury management activity (borrowing and investment) for the first six months of the current financial year.

Up to 30th September 2014 (mid-year point) the Council had outperformed the industry benchmark of 0.36% on its investment activity by achieving a 0.45% return on its investments. The falling interest rates had impacted considerable on the potential for the Council to derive reasonable income from its investment portfolio. In the seven year period from 2007/2008 to present the Council's investment income had reduced by £692,070 to just £27,930 at the 31st March 2014.

The Treasury Management Strategy Statement for 2014/2015, approved by Council, outlined Council's investment priorities as being (i) Security of Capital; (ii) Liquidity; and, (iii) Return (yield), and there were no proposals to change these priorities at this time.

Three appendices were presented with the report with Appendix A being the Counterparty List (page 13 to the Agenda), Appendix B being the Treasury Indicators (page 14 to the Agenda), and Appendix C

showing Benchmarking of Internally Managed Funds (page 18 to the Agenda),

It was **RESOLVED** to **RECOMMEND** that:

- (i) the report, the treasury activity and the prudential indicators all be noted and approved; and,
- (ii) Council notes the reduction in investment income and the consequence that this has on the Council's budget.

***AC 27 VALUE STATEMENT NOVEMBER 2014**

Grant Thornton (external auditors) presented their report (page 19 to the Agenda) on continuing to deliver values to West Devon Borough Council. Grant Thornton had provided expertise in supporting the Council through three key areas of supporting corporate governance, focussing on financial resilience and through raising awareness of welfare reform and alternative delivery models in local government. The Council had also benefitted from Grant Thornton's extensive national and local expertise.

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

***AC 28 THE ANNUAL AUDIT LETTER FOR WEST DEVON BOROUGH COUNCIL**

Grant Thornton presented the Annual Audit Letter for the Council (page 33 to the Agenda). The Annual Audit Letter was intended to communicate key messages to both the Council and external stakeholders, including members of the public. The annual audit had been carried out in accordance with prescribed requirements of the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

In respect of the Council's financial statements for 2013/2014, Grant Thornton had issued an unqualified opinion together with an unqualified Value for Money conclusion. The consolidation pack which the Council had prepared to support the production of the Whole of Government Accounts was consistent with the audited financial accounts and Grant Thornton expected, at this stage, to report the Housing Benefit and Council Tax Benefit subsidy for 2013/2014 return to the Department of Works and Pensions by the 30th November 2014 deadline. A report on the certification of grant claims and returns would be presented at the Committee's next meeting.

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

***AC 29 WEST DEVON BOROUGH COUNCIL AUDIT COMMITTEE UPDATE**

Grant Thornton presented a report (page 40 to the Agenda) which detailed the timetable for undertaking and completing the work for the external audit 2014/2015. The report further advised the Committee that CIPFA/LASAAC had issued a public consultation at the end of July 2014, with a closing date of 10th October 2014, on the 2015/16 Code of Practice on Local Authority Accounting in the United Kingdom and a

second stage consultation on simplifying and streamlining the presentation of local authority financial statements.

The report also made reference to an update published by the Local Authority Accounting Panel providing guidance on the establishment and maintenance of local authority reserves and balances.

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

(The Meeting terminated at 12.05 pm.)

Dated this 24th February 2015

Chairman