

At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **18th** day of **July 2017** at **10.00am**

Present: Cllr M Davies (Chairman)

Cllr K Ball Cllr W Cann OBE
Cllr B Stephens Cllr L Watts

Officers in attendance: Group Manager – Commercial Services
Section 151 Officer; and
Senior Specialist – Democratic Services

Also in attendance: Cllr C Edmonds (lead Hub Committee Member)

*** AC 8 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs Hockridge and Lamb, the KPMG representatives and the Finance Business Partner.

*** AC 9 CONFIRMATION OF MINUTES**

The Minutes of the Meeting held on 20 June 2017 were confirmed and signed by the Chairman as a correct record.

*** AC 10 DRAFT STATEMENT OF ACCOUNTS 2016/17**

The Committee considered a report that presented the draft Statement of Accounts 2016/17 and the draft Annual Governance Statement for the year ended 31 March 2017.

In particular, the report advised that an underspend of £70,000 had been generated in 2016/17, which was transferred to the General Fund Balance.

In discussion, reference was made to:-

(a) the Trading Company. The Committee was advised that, whilst Servaco Limited had not traded at all during 2016/17, the Council was still required to complete an annual return and accounts in accordance with Company House Regulations. In respect of resource implications, it was noted that this process took half an hour for the Section 151 Officer and one hour of a legal colleague's time to file the annual return and accounts;

(b) the risks associated with service failure. Members were provided with an update on the recent problems that residents had been experiencing with the online process of applying to opt into the charged garden waste service. In outlining the steps that were being taken to overcome this problem, it had become apparent that this issue was being replicated across a number of the payment gateways of the Council and was currently proving to be a significant barrier to the ability for residents to self-serve;

- (c) the other entities and individuals debtors that amounted to £944,000. In reply to a question, officers informed that the £944,000 was largely attributed to Housing Benefit overpayments;
- (d) the accumulated absences account. Members were informed that the £74,000 reflected the amount of untaken staff annual leave for 2016/17;
- (e) publishing the accounts before 31 May. The Section 151 Officer confirmed that she was confident that the Finance Community Of Practice would be in a position to publish the accounts for 2017/18 before the deadline of 31 May 2018. However, in order to meet this requirement, the Committee noted that it would be inevitable that officers would be more reliant on estimates and assumptions. Members proceeded to pay tribute to the excellent work undertaken by the Section 151 Officer and her Finance Community Of Practice colleagues.
- (f) the increase in Members' Allowances. The Committee was reminded that the bulk of the £10,000 increase during 2016/17 was attributed to the increase in Special Responsibility Allowances that could be claimed by Members of the Hub Committee;

It was then:

RESOLVED

That the Draft Statement of Accounts 2016/17 and the Draft Annual Governance Statement for the financial year ended 31 March 2017 be noted.

*** AC 11 SHARED SERVICES METHODOLOGY 2016/17**

A report was considered that presented the methodology for the apportionment of costs (predominantly staffing costs) between the Council and South Hams District Council.

In discussion, Committee Members felt that the report was particularly helpful and self-explanatory.

It was then:

RESOLVED

That the methodology of the shared services apportionment of costs between the Council and South Hams District Council (as outlined in Appendix A of the presented agenda report) be noted.

(The Meeting terminated at 10.50 am)

Dated this

Chairman