

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 16 JANUARY 2014**

Members in attendance * Denotes attendance			
*	Cllr I Bramble	*	Cllr L P Jones
*	Cllr C G Bruce-Spencer (Vice Chairman)	*	Cllr J T Pennington (Chairman)
*	Cllr A S Gorman		

Other Members in attendance and participating
Cllrs M J Hicks, R J Tucker, Cllr L A H Ward and S A E Wright

Item No	Minute Ref No below refers	Officers and Visitors in attendance
All Items		Head of Finance and Audit, Chief Internal Auditor and Member Services Manager
Items 5, 6, 7 & 8	A.21/13, A.22/13, A.23/13 and A.24/13	Audit Manager - Grant Thornton Engagement Lead - Grant Thornton

A.19/13 MINUTES

The minutes of the meeting held on 19 September 2013 were confirmed as a correct record and signed by the Chairman.

A.20/13 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting but none were made.

A.21/13 TRANSFORMATION PROGRAMME (T18)

The Head of Finance and Audit presented a report, along with the Engagement Lead (Grant Thornton) that summarised the findings of two project assurance reviews on the T18 proposals.

Members discussed the report, and particularly the alternative approaches identified which could be complementary to the Transformation Programme. Members also noted the comments about governance. The Head of Finance and Audit advised the Committee that the project steering group would be holding its first meeting on 27 January 2014.

In conclusion, the Vice Chairman expressed the view that it was excellent that an independent assurance panel had endorsed the Transformation Programme.

It was then:

RESOLVED

That the report be noted and welcomed.

A.22/13

GRANT THORNTON – ANNUAL AUDIT LETTER

The Engagement Lead (Grant Thornton) presented the Annual Audit Letter for South Hams District Council. He took Members through the key parts of the letter, and advised the Committee that officers had responded positively to issues raised. He had concluded that the financial management of the authority was strong and that there would be challenges to face in the future.

It was then:

RESOLVED

That the report be noted and welcomed.

A.23/13

GRANT THORNTON – AUDIT COMMITTEE UPDATE

The Audit Manager (Grant Thornton) presented the Audit Committee Update for the year to 31 March 2014, which set out progress to 31 December 2013. The update referred to a number of publications and the Chief Internal Auditor agreed to provide those publications to each Member of the Audit Committee. It was also agreed that a formal report be taken to the next Audit Committee meeting which included an executive summary of each publication. The 'Emerging Issues and Developments' section of the report included suggested questions that the Audit Committee could direct to officers. In response to questions, the Head of Finance and Audit outlined current performance in respect of council tax collection and agreed that the Value for Money profile would be included in a future report as it set out detailed information in graph form. She also noted that it was important to compare like for like organisations.

In terms of the pension scheme, questions were being prepared for a meeting, likely to be held in March, with a representative from the Devon Pension Scheme. In terms of general knowledge, the Members of the Committee agreed that further training for Members, targeted specifically on financial matters, would be beneficial. The Executive Portfolio Holder for Finance and Audit advised that a 'fast fact guide' was being worked on that would enable Members to have key financial information at their fingertips.

To conclude, and in response to a question relating to the impact of forthcoming changes, the Head of Finance and Audit advised that changes to business rates would be the main change to the accounts closedown procedures and that work would be required with Grant Thornton on particular elements, such as how to account for backdated business rates appeals.

It was then:

RESOLVED

That the report be noted and welcomed.

A.24/13 GRANT THORNTON – CERTIFICATION REPORT 2012/13

The Engagement Lead (Grant Thornton) presented this report and took Members through the key messages within. He advised that an issue had been raised in respect of a particular indicator within the system, and that no element of materiality was allowed for. If an error was found then additional checks would be undertaken but in this case no further errors had been identified. In conclusion, there had been a minor error but generally this had been a positive report with a clean bill of health for the Council.

It was then:

RESOLVED

That the report be noted and welcomed.

A.25/13 INTERNAL AUDIT – PROGRESS AGAINST THE 2013/14 PLAN

The Chief Internal Auditor presented a report that informed Members of the principal activities and findings of the Council's Internal Audit team for 2013/14 to 30 November 2013.

He took Members through the key parts of the report and appendices and responded to any questions that arose. During discussion, Members noted that employment of agency staff could sometimes be a false economy although the Chief Internal Auditor advised that the new contract enabled the Council to use bespoke agencies for professional posts. Members also had a detailed discussion on the certification of travel claims and there was some concern over the position of the Council in respect of third party claims following road traffic accidents involving staff in their private cars on Council business, if appropriate measures were not in place to check licence and insurance details for staff. The Chief Internal Auditor would look into this matter and advise the Committee, specifically to establish whether in law officers signing a certificate on their travel claim to confirm that these documents are in place is sufficient.

To conclude, the Chief Internal Auditor advised that there had not been an update from the HMRC investigation.

It was then

RESOLVED

That the progress made against the 2013/14 Audit Plan be noted and has been commented on.

(Meeting commenced at 10.00 am and finished at 12.15 pm)

Chairman