
AUDIT COMMITTEE

MINUTES of the Meeting held in the Committee Room - Swale House on Wednesday, 17 September 2014 from 7.00 - 7.34 pm.

PRESENT: Councillors John Coulter, Nicholas Hampshire, Harrison, Peter Marchington and Pat Sandle (Chairman).

OFFICERS PRESENT: Richard Clarke, Joanne Hammond, Nick Vickers and Phil Wilson and Trevor Greenlee and Andy Mack (Grant Thornton).

ALSO IN ATTENDANCE: Councillor Duncan Dewar-Whalley (Cabinet Member for Finance).

APOLOGIES: Councillors Andy Booth and Nick Williams.

233 MINUTES

The Minutes of the Meeting held on 11 June 2014 (Minute Nos. 76 – 84) were taken as read, approved and signed by the Chairman as a correct record.

234 DECLARATIONS OF INTEREST

No interests were declared.

Part A Minute for Recommendation to Council

235 ANNUAL TREASURY MANAGEMENT REPORT

The Head of Finance introduced the Council's Annual Treasury Management report for 2013/14, as required by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. He advised Members that the Council had average daily cash balances of £21m during the year, and provided assurance that investments were made in accordance with Prudential Indicators and the Council's Treasury Management Strategy.

A Member drew attention to the investment income received and congratulated the Finance Team on their hard work.

Recommended:

(1) That Council note the actual 2013/14 Prudential Indicators within the report.

(2) That Council approve the Treasury Management stewardship report for 2013/14.

Part B Minutes for Information

236 ANNUAL FINANCIAL REPORT 2013/14 AND AUDIT FINDINGS REPORT

The Committee considered the report which sought approval of the Council's Financial Statements for 2013/14 and included the external auditor's Audit Findings Report.

The Head of Finance expressed his thanks to Mr Andy Mack (Engagement Lead, Grant Thornton) for the guidance and expertise he had demonstrated during his work with Swale

Borough Council (SBC) over the past seven years. He explained that this was Mr Mack's last meeting at SBC due to the requirement to rotate auditors. He also congratulated the Chief Accountant and Finance Team for the quality of the financial statements.

The Chief Accountant drew attention to the Movement in Reserves Statement, the Comprehensive Income and Expenditure Account and the Balance Sheet. He explained the changes to the business rates income and accounting of the Council's pension liability.

Mr Trevor Greenlee (Manager, Grant Thornton) introduced the Audit Findings Report and drew attention to the Executive Summary. He confirmed that they anticipated issuing an unqualified opinion on the financial statements and were proposing to give an unqualified Value for Money conclusion. He advised that the financial statements required very few amendments and had been of a consistently high standard over the past few years. He thanked the Chief Accountant and Finance Team, and welcomed the positive efforts being made to review the presentation of future accounts to make them more concise and easier to understand. Mr Greenlee referred to the misclassification and disclosure changes and unadjusted misstatements, which he advised were not significant issues and had no impact on the bottom line. He considered that the Council demonstrated strong performance in Value for Money but it should be recognised that it would be increasingly difficult to generate significant savings in future, with greater external financial pressures. He advised that there was a slight reduction in the audit fee.

Mr Andy Mack (Engagement Lead, Grant Thornton) thanked the Committee and officers for their support; he had found the Council to be open, positive and co-operative and he had enjoyed his work with SBC. He considered that the Audit Committee had provided an appropriate degree of challenge over the past seven years, and despite the challenging external environment, the Council had demonstrated solid governance and a sound financial framework moving forward.

The Committee thanked officers and the external auditors for the quality of the report.

Resolved:

- (1) That the external auditor's Audit Findings Report be noted.***
- (2) That the adjustments to the financial statements which are set out in the Audit Findings Report be noted.***
- (3) That Management's proposed treatment of the unadjusted misstatement which is set out in the Audit Findings Report be approved.***
- (4) That the Management response to the Action Plan be approved.***
- (5) That the Letter of Representation be approved on behalf of the Council.***
- (6) That the Statement of Accounts for the year ended 31 March 2014 be approved.***

237 VOTE OF THANKS

The Committee gave a formal vote of thanks to Mr Andy Mack (Engagement Lead, Grant Thornton) and wished him well for the future. They also thanked the Head of Finance, Chief Accountant and Finance Team for their hard work.

238 AUDIT COMMITTEE WORK PROGRAMME

Resolved:

(1) That the report be noted.

Chairman

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All Minutes are draft until agreed at the next meeting of the Committee/Panel