

Minutes of a meeting of the Audit Committee held on 26th September 2013 at Pippbrook, Dorking from 7.15pm to 8.15pm

Present: Councillors Iain Murdoch (Chairman), Stella Brooks (Vice-Chairman), Lynne Brooks, Mary Cooper, Clare Curran and David Preedy

12. Minutes

RESOLVED: That the minutes of the meeting of the Committee held on 27th June 2013 be approved as a correct record and signed by the Chairman.

13. Apology for Absence

An apology for absence was received from Councillor Corinna Osborne-Patterson.

14. 2012/13 Statutory Accounts and Annual Governance Report

The Committee considered a report, on pages 3 to 49 of the agenda, that set out the 2012/13 Statement of Accounts and revised Annual Governance Statement, for publication on the Council's website and by hard copy, on request. The report also set out the contents of Grant Thornton's report of Audit Findings 2012/13 and the letter of representation from the Council to Grant Thornton.

The Committee received a presentation from Mr Paul Grady and Mr Terence Rickeard of Grant Thornton, the Council's external Auditors, who commended the Council on the quality of the final accounts. It was intended to issue an unqualified opinion on the financial statements and a value for money conclusion stating that the Council had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources, subject to final resolution of outstanding matters.

Following a question and answer session, the Chairman, on behalf of the Committee, thanked Mr Grady and Mr Rickeard for their presentation and for the work they had undertaken with the Council's finance officers.

RESOLVED: (1) That the 2012/13 Statement of Accounts and revised Annual Governance Statement, for publication on the Council's website and by hard copy, on request be approved.

(2) That the contents of Grant Thornton's report of Audit Findings 2012/13 be noted.

(3) That the letter of representation from the Council to Grant Thornton be approved.

15. Internal Audit Progress Report September 2013

The Committee considered a report, on pages 50 to 54 of the agenda, that set out Internal Audit progress on the 2013/14 financial year against the work programme approved by the Audit Committee on 12th March 2013.

The Committee received a presentation from Mr David Taylor of RSM Tenon.

Following a question and answer session, the Chairman, on behalf of the Committee, thanked Mr Taylor for his presentation.

RESOLVED: That progress against the 2012/13 Internal Audit Plan be noted.

16. Treasury Management – Annual Report and Prudential Indicators – 2012/2013

The Committee considered a report, on pages 55 to 67 of the agenda, that set out a review of the performance of the Prudential Indicators and Treasury Management Strategy and Annual Plan 2012/2013 as agreed by Council on 21st February 2012.

The report reviewed the performance of the Prudential Indicators and Treasury Management Strategy and Annual Plan 2012/2013 as agreed by Council on 21st February 2012.

Council had delegated the responsibilities for implementing and monitoring treasury management policies and practices to the Audit Committee and for the operation and administration of treasury management decisions to the Strategic Director (Section 151 Officer), who would act in accordance with the organisation's treasury management policy statement and TMP's, and CIPFA's Standard of Professional Practice on Treasury Management.

In summary, the Council's in-house team achieved a rate of return on investments of 1.06%. The Council achieved an overall return of £342,000 in 2012/13 and investment balances at balance sheet dates increased from £20.655m (31/03/12) to £24.452m (31/03/13). The 2012/13 financial year continued the challenging environment of previous years with low investment returns and continuing counterparty risk.

In conducting the treasury management activities of the Council there were no breaches of the agreed Strategy and the in-house team operated within the Prudential Indicators set by Council.

During the financial year the Council operated within the Prudential Indicators 2012/13 – 2014/15 and Treasury Management Strategy and Plan 2012-13 as agreed by Council on 21st February 2012. The outturn for the Treasury and Prudential Indicators were set out in the report.

RECOMMENDED TO COUNCIL: (1) That the Treasury Management Annual Outturn report for 2012/2013 be noted.

(2) That the actual Prudential Indicators reported for 2012/2013, be approved.

