

MINUTES of MEETING of the MIDLOTHIAN COUNCIL AUDIT COMMITTEE held in the Council Chambers, Midlothian House, Buccleuch Street, Dalkeith on Tuesday, 16 September 2014 at 11.00 am.

Present: - Mr Smaill (Independent Chair); Councillors Baxter, Bryant, Thompson,, and de Vink.

Apologies for Absence:- Councillors Milligan and Muirhead

1 Declarations of Interest

There were no declarations of interest.

2 Minutes

The Minutes of Meeting of 18 June 2014 were submitted and approved.

Arising from consideration of the foregoing Minutes, the Chair drew attention to the Council's decision on 17 June 2014 to demolish properties at Newbyres Crescent, Gorebridge. In this respect, he highlighted the possible financial consequences of this decision on the Council's overall financial position. He therefore proposed that officers prepare a report for the Committee's consideration providing an overview of the risk management issues; the insurance position; and the loss mitigation options which had been considered or were being pursued.

The Committee, having noted that a further updated report was in preparation for consideration by the full Council, agreed it would be appropriate for the Committee, in its own right, to consider the report and make any recommendations to the Council it considered were necessary and accordingly agreed to consider this business at its next meeting.

3 Financial Statement Audit Findings for Midlothian Council for the Year to 31 March 2014

There was submitted a draft report, dated 11 September 2014, by the External Auditors (Grant Thornton UK) highlighting the key issues arising from the audit of the Council's financial statements for the year ending 31 March 2013. The report explained that the audit was substantially complete although work in the following areas was still to be finalised, viz:-:

- Finalisation of adjustments to Property, Plant and Equipment balances;
- Sample testing and reconciliation of Council Tax debtors;
- External confirmation of investment balances;
- Review of the final version of the financial statements;

- Obtaining and reviewing the final management letter of representation;
- Updating their post balance sheet events review, to the date of signing their opinion; and
- Whole of Government Accounts.

The Auditors expected to provide an unqualified opinion on the Council's 2013-14 financial statements. subject to finalisation of the outstanding audit areas referred to heretofore.

Decision

- (a) To note that the changes to the method of valuing Council Housing stock was a technical exercise which had no effect on the Council's accounts;
- (b) To note and approve the action plans contained in the report, arising from issues indentified during the audit;
- (c) To note that a recommendation on a valuation methodology would be presented in due course;
- (d) To note that the finalised report would be presented to the Council on 4 November 2014;
- (e) To otherwise note the report.

The meeting terminated at 11.55 am