

South Somerset District Council

Minutes of a meeting of the **Audit Committee** held at the **Coker Room, Council Offices, Brympton Way, Yeovil BA20 2HT on Thursday 27 April 2017.**

(10.00 - 11.15 am)

Present:

Members: Councillor Derek Yeomans (Chairman)

Jason Baker	Graham Middleton
Carol Goodall	David Norris
Val Keitch	Colin Winder
Tony Lock	

Officers

Karen Gubbins	Principal Accountant (Exchequer)
Gary Russ	Procurement and Risk Manager
Kelly Wheeler	Democratic Services Officer
Paul Fitzgerald	Section 151 Officer

Also Present:

Liz Cave	Director – Grant Thornton UK
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70. Minutes (Agenda Item 1)

The minutes of the previous meeting held on Thursday 23rd March 2017 were approved as a correct record and were signed by the Chairman.

71. Apologies for absence (Agenda Item 2)

Apologies of absence were received from Councillor Mike Best and Councillor Mike Beech.

72. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

73. Public question time (Agenda Item 4)

There were no members of the public present during the meeting.

74. Date of next meeting (Agenda Item 5)

Members noted that the date of the next meeting of the Audit Committee was scheduled for 10am on Thursday 25th May in the Alford Room, Brympton Way, Yeovil.

75. E:Procurement - Verbal Update (Agenda Item 6)

The Procurement and Risk Manager explained to members that it would soon be a legal requirement that the council carried out procurement transactions electronically and that most organisations e-procure for all services and purchases over the value of £25,000.

He suggested that members look at a web-based portal called 'Selling to the South West' and agreed that he would provide members with a link to the website. He explained that the full tender application process could be carried out on this web-portal for all transactions over £25,000 and that many local authorities in the South West were using this website portal. He pointed out that the police and other emergency services used a very similar online procurement portal.

He advised that approved suppliers could be listed on this website and that contract managers and contract negotiations could be made confidential to some users.

In response to questions from members, he advised that the site was very secure and that officers would require a password to access the site. He suggested that access would be given to procurement officers and to a few officers that would be given training initially. Access would be rolled out to further members of staff once any initial problems had been resolved and training had been provided. He further advised that the tender process was very secure and that the tenders would be held electronically until the tender deadline.

The Procurement and Risk Manager advised that suppliers can be pre-selected to ensure that local suppliers and approved suppliers were able to submit contract bids.

Members thanked him for the update.

RESOLVED: that members noted the report.

76. Risk Management/Procurement Strategy - Verbal Update (Agenda Item 7)

The Risk and Procurement Manager advised members that an audit on Risk Management had recently taken place. He pointed out that some of the technical applications on the risk register hadn't scored as highly as he had hoped and suggested that the search function on register had let them down.

He advised that due to the change in the senior leadership, some of the corporate risks appear to be unowned by a manager, but that he was hoping that these risks would be transferred to the Transformation Team as they will have a better understanding of where the corporate risks will sit within the future staff model. He was keen to see risks allocated to managers quickly. He felt that it was important that all risks were allocated.

The Section 151 Officer advised that he would be happy to assist with trying to allocate the risks to officers and agreed that it might be sensible to allocate the risks to the transformation team.

Members expressed their concerns over the risks which had been unallocated.

The Chairman thanked the Risk and Procurement Manager for attending and for his verbal update.

RESOLVED: that members noted the report.

77. Accounting Policies for 2016/17 Statement of Accounts (Agenda Item 8)

The Principal Accountant presented her report to members. She advised that there had been no major changes to the Accounting Policy statement and that there had only been slight amendments to the wording. She advised that the expenditure and funding analysis had been introduced and the comprehensive income and expenditure statement had been amended to reflect changes to budget monitoring.

She advised that training would be provided to members of the Committee in June.

The Section 151 Officer advised members that the Income Generation policies could be updated as required, however advised that all policies were in place.

RESOLVED: that members noted the report.

78. External Audit Plan for 2017-18 (Agenda Item 9)

The Director of Grant Thornton, External Auditors, presented her report to members. She advised members that the report contained the external audit plan.

She referred to page 28 which summarised the challenges which SSDC is facing and noted the improvement in the council tax collection rate. She advised that the auditors' responses to these challenges were included within the plan.

She felt that the medium term financial strategy was sound and going well, however felt that the Transformation plan was a risk. She explained that although good rewards were possible, value for money risks surround the programme.

She suggested that she would like to see the peer review results which had not yet been received.

The Section 151 Officer pointed out that since the report was written, the Transformation figures had moved on following the approval of the Transformation Programme report by the full council committee.

The Director referred to the significant risks detailed with the plan, and summarised the five significant risks detailed within the report.

She referred to the value for money section of her report and pointed out that there were three criteria which must be met. She advised that the Transformation project had been identified as a risk. She explained that she would be reviewing the project management

and governance arrangements of the project, not just project management as drafted in error.

The Section 151 clarified that a larger risk would be to do nothing and that the Transformation project would cover income generation, the workforce structure and how customers would be dealt with. He advised that although he had not seen the risk register, the risk of reduced funding to the Council was a large risk. The Director agreed and said that being pro-active was important and was a reason for the Council's relatively strong financial strategy. Being aware of the risks and having sound governance were important areas of making the transformation successful.

She pointed out to members the results of the interim audit work on pages 39 and 40 of the agenda and hoped that she would be in receipt of the final financial statement before the end of the month.

The Section 151 Officer clarified the changes to the journal entry controls and advised that they are now counter-signed by a manager.

RESOLVED: that members noted the report.

79. Audit Committee Forward Plan (Agenda Item 10)

Members noted the Audit Committee Forward Plan.

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Chairman