

South Somerset District Council

Notice of Meeting



Audit Committee

Making a difference where it counts

Thursday 13th December 2007

10.00 a.m.

**Committee Room 3/4
Council Offices
Brympton Way
Yeovil
Somerset**

The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please ring the Agenda Co-ordinator, **Andrew Blackburn** on Yeovil (01935) 462462
email: democracy@southsomerset.gov.uk, website: www.southsomerset.gov.uk

This Agenda was issued on Wednesday 5th December 2007

Ian Clarke, Head of Legal & Democratic Services



2007-2008
Neighbourhood and
Community Champions:
The Role of Elected Members
2006-2007
Improving Rural Services
Empowering Communities
2005-2006
Getting Closer to Communities

**If you need this information in large print,
Braille, audio or another language,
please contact 01935 462203
Membership**



INVESTOR IN PEOPLE

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Chairman
Vice-Chairman

Derek Yeomans
Ian Martin

Mike Best
Tim Inglefield
Roy Mills
Tom Parsley

John Richardson
Peter Roake
Alan Smith
Colin Winder

South Somerset District Council – Corporate Aims

Our key aims are: (all equal)

- To deliver well managed cost effective services valued by our customers
- To increase economic vitality and prosperity
- To improve the health and well-being of our citizens
- To ensure safe, sustainable and cohesive communities
- To promote a balanced natural and built environment

Members' Questions on Reports prior to the Meeting

Members of the Committee are requested to contact report authors on points of clarification prior to the Committee meeting.

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Information for the Public

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance, to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

The Audit Committee should review the Code of Corporate Governance seeking assurance where appropriate from the Executive or referring matters to management on the scrutiny function.

The terms of reference of the Audit Committee are:

1. To approve the Strategic and Annual Internal Audit Plans;
2. To receive summaries of Internal Audit reports and seek assurance from management that action has been taken.
3. To consider the reports of external audit and inspection agencies and seek assurance from management that action has been taken.
4. To consider the effectiveness of SSDC's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action is being taken.
5. To review the annual Statement of Internal Control and monitor associated action plans.
6. To review the SSDC's Code of Corporate Governance and ensure it is kept up to date and reflects best practice. This will include regular reviews of the Council's Constitution and an overview of the risk management.
7. To receive reports from management on the promotion of good corporate governance.
8. To review and approve the annual Statement of Accounts, external auditor's opinion and reports to members and monitor management action in response to issues raised.

Meetings of the Audit Committee are held monthly including at least one meeting with the Council's external auditor.

Agendas and minutes of this committee are published on the Council's website at www.southsomerset.gov.uk

The Council's Constitution is also on the web site and available for inspection in council offices.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

Audit Committee

Thursday 13th December 2007

Agenda

Preliminary Items

1. To approve as a correct record the Minutes of the previous meeting held on 25th October 2007
2. Apologies for Absence
3. Declarations of Interest

In accordance with the Council's Code of Conduct, which includes all the provisions of the statutory Model Code of Conduct, members are asked to declare any personal interests (and whether or not such an interest is "prejudicial") in any matter on the agenda for this meeting. A personal interest is defined in paragraph 8 of the Code and a prejudicial interest is defined in paragraph 10.

4. Public Question Time

Page Number

Items for Discussion

- | | | |
|----|---|-----------|
| 5. | Health, Safety and Welfare – Annual Report | 1 |
| 6. | Update on Homelessness and Stores Audit Reports | 4 |
| 7. | 2007/08 Statement of Internal Controls Action Plan | 17 |
| 8. | Date of Next Meeting | 20 |

Audit Committee – 13th December 2007

5. Health, Safety and Welfare – Annual Report

Head of Service: Laurence Willis, Head of Environmental Health & Community Protection

Lead Officer: Tony Richbell, Safety Adviser

Contact Details: tony.richbell@southsomerset.gov.uk or (01935) 462655

Purpose of the Report

In order to keep members informed of health, safety and welfare issues relevant to SSDC activities and undertakings, the Safety Adviser provides an annual report for the Audit Committee.

The report contains an overview of health and safety matters and/or concerns, details of new or recent Health and Safety legislation and comments on other health, safety or welfare matters considered likely to have some impact on Council activities.

This report covers the period 1st January – 30th November 2007.

Recommendation

That members note and comment on the report.

Report

Accidents

DEPT/SECTION	NO. OF ACCIDENTS	DAYS LOST	COMMENTS
Waste & Transport	10 (19)	9 (46)	No data for waste after 01/10/07
Streetscene	8 (21)	9 (16)	Includes 7 days arising from one incident
Offices	21 (25)	1 (7)	None
Horticulture	8	2	None
Octagon Theatre	1 (2)	0 (0)	Minor incidents
Volunteers	4 (1)	N/A	As above
Contractors	1 (0)	N/A	As above
Members of public	3 (1)	N/A	Slips/Trips/Falls
Others	12	0 (0)	Pest officers, Car park inspectors, Cem/Crem.etc.
TOTAL	72 (70)	21 (69)	

NOTE: Figures in brackets are for Jan-Nov 2006

Statistics for 2008 onwards will reflect the transfer of waste and recycling to the Somerset Waste Partnership

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Legislation

Corporate Manslaughter – Comes into force April 2008, the main points have been sent to Management Board and Members via a briefing note.

Construction (Design & Management) Regulations – Came into force April 2007, there are a number of changes that affect SSDC activities and staff from Property & Engineering Services have attended training courses to update their knowledge

Control of Noise at Work Regulations 2005 – Came into force April 2006 but there was a two year transitional period for the entertainment industry, therefore the Regulations will apply to the Octagon Theatre from April 2008.

Legionella

Following the prosecution of Barrow in Furness Council and the subsequent public enquiry, the Safety Adviser took a report to Management Board giving details of the prosecution and enquiry, the list of management failings and remedial action identified by Barrow and HSE. The implications for SSDC were discussed and resulted in an agreement to run health and safety management training sessions for both senior executives and section managers. The courses will run during March 2008.

Radon

The risks arising from exposure to Radon gas are well known in the South West and South Somerset has it's own documented "hot spots". Although information has gone to householders in the past, HSE is keen to ensure employers assess the risks to employees from Radon in the workplace. The Safety Adviser, in conjunction with Property Services, will identify all properties SSDC own or control in order to identify sites at risk and action required.

Safety Panel

Since the 2006 Safety Advisers report, further changes have been made to the Safety Panel. Historically, reports from site representatives were the last item on the agenda and the representatives often had problems with the timings. The meetings are now in two parts with the site safety representatives and the Safety Adviser having a "pre-meeting" before the start of the main meeting in order to discuss site specific issues; this gives them the opportunity to ensure any concerns are given sufficient time for discussion.

Health & Safety Training

In-house health and safety training courses carried out during 2007 include, Managing Contractors, Carrying out Risk Assessments, First Aid, Asbestos Management and Lone Working.

Business Continuity

When one of our buildings is evacuated as a result of an emergency, it is usually assumed that it can be re-occupied fairly soon after. Depending on the problem, this may not always be possible, in fact the whole site may have to be cleared in certain circumstances, The Safety Adviser has asked for feedback from staff to identify what problems they may experience if, having left a building in a hurry, they then need to leave the site. This information will be discussed and procedures put in place to assist staff that may have problems with communication, transport, medication etc.

Operational Risk Assessments

Following a recent Management Board meeting, a reminder has been sent by the Chief Executive to all Heads of Service and Services Managers asking them to review their existing operational risk assessments and produce additional assessments where necessary.

Safety Policy

The following new sections have/will be added to the Council Safety Policy:

Slips/Trips/Falls

Working at Height

Permits to Work

Training

Priorities for 2008

The following items have been identified as priority issues to be addressed during 2008:

Radon: Production of policy, procedures and risk assessments

Business continuity: Emergency evacuation action plan

Stress: Actions arising from latest audit

Background Papers: *Members briefing note – Corporate Manslaughter & Corporate Homicide Act 2007*

Audit Committee – 13th December 2007

6. Update on Homelessness and Stores Audit Reports

Head of Service: Donna Parham, Head of Finance
Lead Officer: Donna Parham, Head of Finance
Contact Details: donna.parham@southsomerset.gov.uk or (01935) 462225

Purpose of the Report

This report was requested by the Audit Committee in July 2007 to update members on actions that have been taken to improve processes and internal controls within the Stores and Homelessness services.

Recommendations

To note the actions to date.

Background

The South West Audit Partnership (SWAP) reported their findings of reviews of Homelessness in March 2007 and Stores in May 2007. As part of the Auditor's Opinion, each review is given a 'star' rating offering management the following levels of assurance:

▲★★★★ **Full** - The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively at all times and risks against the achievement of objectives are well managed.

▲★★★ **Reasonable** - Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

▲★★★ **Partial** - Most of the areas reviewed were not found to be adequately controlled. Generally risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

▲★★★ **None** - The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Both the Stores Service and Homelessness were allocated "None" in terms of levels of assurance.

When final reports are issued they include a plan that is agreed by each manager outlining the actions that will be taken and a target date agreed for completion. The attached action plans (pages 5-16) show the progress to date for both services. David Stapleton, Corporate Director - Health and Well-being and Ian Potter, Head of Revenues and Benefits will attend the meeting to answer members' queries regarding progress on Homelessness. Vega Sturgess, Corporate Director - Environment and Chris Cooper, Head of Streetscene Services will attend for any queries on Stores.

A follow up review will also be carried out on these two services before the year-end. The Audit Committee will be informed of any outstanding actions resulting from that review that are not followed up by the agreed action dates.

Financial Implications

There are no financial implications that have not been financed within current budgets.

Background Papers: *Audit Committee Agenda and Minutes – 26th July 2007.*

Audit Committee – 13th December 2007

7. 2007/08 Statement of Internal Controls Action Plan

Group Manager: Donna Parham, Group Manager - Finance
Lead Officer: Donna Parham, Group Manager - Finance
Contact Details: donna.parham@southsomerset.gov.uk or (01935) 462225

Purpose of the Report

This report has been prepared for the Audit Committee to review the progress made on the 2007-08 Statement of Internal Control (SIC) Action Plan.

Recommendation

To note the progress made.

Background

The committee agreed the action plan in June, this is the first report updating members of the progress made.

Action Plan

The following table (pages 18-19) details the progress made on the eleven areas identified as requiring improvement.

Financial Implications

There are no financial implications associated with these recommendations.

Background Papers: None

**SOUTH SOMERSET DISTRICT COUNCIL
ANNUAL REVIEW OF INTERNAL CONTROL**

2007/08 ACTION PLAN

No.	Issue	Responsible Officer	Action	Current Status
1.	Use of Resources – improvement plan	Corporate Governance Group	<ul style="list-style-type: none"> • Agree Improvement Plan: June 07 	<ul style="list-style-type: none"> • The improvement plan is being monitored by the Audit Committee.
2.	Contract Procedure Rules – complete revision to bring all procedures into one document	Gary Russ	<ul style="list-style-type: none"> • Contract Procedure Rules completed: June 07 • Agreed by Audit Committee: January 08 • Approved by Council: February 08 	<ul style="list-style-type: none"> • Contract Procedure Rules were drafted and are currently being reviewed by the Head of Legal and Democratic Services. The draft rules were reviewed in October. They are expected to be received by Audit Committee in January and Council in February
3.	Risk Management – provide management reports and further embed into organisation	Gary Russ	<ul style="list-style-type: none"> • Regular reports to Management Board: June 07 • Regular Reports to Audit Committee: July 07 	<ul style="list-style-type: none"> • Reports are being made but some reassessment of individual risks by managers is required.
4.	Project Management Guidance	Rina Singh/ Donna Parham	<ul style="list-style-type: none"> • All capital schemes to follow guidance for 2008/09 bids: August 07 	<ul style="list-style-type: none"> • All new bids for 2008/09 are following the new methodology. • Project Resource Group well underway. • Further training will be arranged for managers to assist them with new bids. • Directorate “Champions” to be appointed as contact points.
5.	A register for Potentially Violent Warning Markers and Dangerous Buildings	Ian Clarke	<ul style="list-style-type: none"> • Register to be implemented by: September 07 	<ul style="list-style-type: none"> • Register to be finalised

No.	Issue	Responsible Officer	Action	Current Status
6.	HR system	Rina Singh	<ul style="list-style-type: none"> • System completion: to be confirmed once funding agreed • Audit review: to be confirmed 	<ul style="list-style-type: none"> • Audit Committee will continue to monitor Internal Audit reports on the improvements agreed • Employee self service implemented August 07 • People Manager – sickness monitoring implemented Sept 07.
7.	A review of Cash Office Security in Chard	Donna Parham	<ul style="list-style-type: none"> • Finalise cash collection strategy: June 07 	<ul style="list-style-type: none"> • Reports to be made to DX to implement cash machines and strategy in January 08.
8.	Improvements in Internal Audit Report findings.	Corporate Governance Group	<ul style="list-style-type: none"> • Further training for managers in internal controls September 07. • Improved reporting mechanism for managers, Corporate Governance Group, Management Board, and Audit Committee September 07. 	<ul style="list-style-type: none"> • Training sessions to be set up through Finance/Audit/ Procurement (re risks). • Improved process for regular monitoring of actions agreed by Corporate Governance Group now needs to be rolled out.

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Audit Committee – 13th December 2007

8. Date of Next Meeting

Head of Service *Ian Clarke, Head of Legal and Democratic Services*
Lead Officer *Andrew Blackburn, Committee Administrator*
Contact Details *andrew.blackburn@southsomerset.gov.uk or (01460) 260441*

The next scheduled meeting of the Audit Committee will be held on Thursday, 24th January 2008 at 10.00 a.m. in the Main Committee Room, Council Offices, Brympton Way, Yeovil.
