

MEETING AC.05:0809
DATE 25.09.08

South Somerset District Council

Minutes of a meeting of the **Audit Committee** held in Committee Room 3/4, Council Offices, Brympton Way, Yeovil on **Thursday, 25th September 2008**.

(10.00 a.m. – 10.30 a.m.)

Present:

Members: Derek Yeomans (in the Chair)

John Calvert	Peter Roake
John Richardson	Colin Winder

Officers:

Donna Parham	Head of Finance
Mike Holliday	HR and Performance Manager
Andrew Blackburn	Committee Administrator

Also Present:

Terry Bowditch	Audit Manager, Audit Commission
Brian Bethell	District Auditor, Audit Commission

36. Minutes (Agenda item 1)

The minutes of the meeting held on the 28th August 2008, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

37. Apologies for Absence (Agenda item 2)

Apologies for absence were received from Cllrs. Mike Best, Ian Martin, Roy Mills, Tom Parsley and Alan Smith.

38. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

39. Public Question Time (Agenda item 4)

No questions or comments were raised by members of the public.

40. Progress on HR and Payroll Action Plans (Agenda item 5)

The HR and Performance Manager summarised his report on the agenda, which updated members on the HR and Payroll Action Plans. Members were asked to note the progress made.

The HR and Performance Manager reported that most of the actions had now been completed and that the agenda report listed those actions that remained outstanding or partially completed, together with updates giving the latest position.

In referring to the action regarding the extraction of management information in respect of advertising he mentioned that very limited advertising was taking place because of the recruitment freeze that had been instigated for non-specialist posts as part of the Council's lean thinking approach. He referred, however, to processes being in place but was waiting for further information to see them working thoroughly.

He further reported that although feedback from the induction process was now collated, there was a need to improve the collection of feedback from people who were not successful in their job applications.

During the ensuing discussion, the HR and Performance Manager responded to members' comments including the following:-

- members noted that the next round of appraisals as part of the Staff Development Review process would commence in October. In response to a question, the HR and Performance Manager reported that the number of staff who go through this process in this round should be known in January. The Chairman commented that it was good that this process took place;
- in response to a question regarding the outcomes of Staff Development Reviews, the HR and Performance Manager informed members that they showed where there were any skill gaps and where there may be a need for further training or, in some cases, retraining of employees;
- with regard to Personal Development Plans, the Committee was informed that Heads of Service should assist staff with compiling their plans and that there should be a balance between the needs of the employee and the needs of the organisation. Having the process in place meant that staff could benefit from that opportunity;
- the HR and Performance Manager confirmed that there were secure systems for storing and dealing with payroll information;
- reference was made to the Job Evaluation process and the HR and Performance Manager updated members. He reported that staff had been informed of the outcome of the evaluations and that they had the right of appeal. He indicated that 93 appeals had been submitted, only 4 of which were outstanding for more information. He also mentioned that where job descriptions had changed, the post would need to be re-evaluated;
- reference was made to the lean thinking approach and the Committee noted that processes were being reviewed in several sections of the Council to see if they could be operated in a different way resulting in a leaner organisation. It was hoped that any surplus staff within a section would be able to re-train to take on new skills and fill vacancies that occurred through natural wastage.

Having examined the action plans, members indicated that they were pleased with the progress made. It was noted that a follow up audit was to be undertaken by Internal Audit within the next few months.

RESOLVED: (1) that the progress with the HR and Payroll Action Plans be noted and accepted;

- (2) that a further progress report be made in six months or once the audit follow up review had been completed.

*(Mike Holliday, HR and Performance Manager – (01935) 462161)
(mike.holliday@southsomerset.gov.uk)*

41. Annual Governance Report (Agenda Item 6)

Reference was made to the agenda report, which introduced the Audit Commission's Annual Governance Report for 2007/08, a copy of which was attached to the agenda.

The Chairman welcomed Terry Bowditch, Audit Manager and Brian Bethell, District Auditor from the Audit Commission who had attended the meeting for this item.

The District Auditor, in summarising the report, explained that it set out the findings from the 2007/08 audit, which the Audit Commission had to communicate to the Council before they could issue their final opinion. Reference was made to Appendix 2 of the report, which set out the Draft Auditor's Report and he explained that before that could be issued, the Committee needed to approve the Draft Letter of Representation (Appendix 1), which gave certain assurances on behalf of the Council.

The District Auditor further commented that it was proposed to issue an unqualified opinion in respect of the Financial Statements. He referred to the good relationship with staff and to the Council having good paperwork and records. He mentioned one issue, however, that, although it could be classified as insignificant, needed attention and related to the Council ensuring that in future years the costs of voluntary redundancies were accounted for during the year in which they were agreed. Details of that matter were included within the agenda report and a recommendation made that the action be included in the Council's Strategic Improvement Plan.

In referring to value for money, he reported that the Council met all twelve criteria and that it was proposed to issue an unqualified satisfactory conclusion.

He further indicated that the report set out information confirming the independence of the audit and the audit fees for the year.

Having considered the matters raised in the Audit Commission's Annual Governance Report, members indicated that they were pleased with the outcome of the 2007/08 audit. Members concurred with the comments of the Chairman in thanking the Head of Finance and her team for the way in which the annual accounts process had been carried out.

- RESOLVED:**
- (1) that the Committee approves the Head of Finance signing the Letter of Representation outlined in Appendix 1 of the Annual Governance Report on behalf of the Council;
 - (2) that the draft Auditor's Report as outlined in Appendix 2 be noted;
 - (3) that the Committee agrees the recommended action set out in Appendix 3 and note that it has been added to the Strategic Improvement Plan.

*(Donna Parham, Head of Finance – (01935) 462225)
(donna.parham@southsomerset.gov.uk)*

42. Date of Next Meeting (Agenda item 7)

Members noted that the next meeting would be held on Thursday, 23rd October 2008 at 10.00 a.m. in the Main Committee Room, Council Offices, Brympton Way, Yeovil.

NOTED.

(Andrew Blackburn, Committee Administrator – (01460) 260441)
(andrew.blackburn@southsomerset.gov.uk)

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Chairman