

MEETING AC.04:0809
DATE 28.08.08

South Somerset District Council

Minutes of a meeting of the **Audit Committee** held in the Main Committee Room, Council Offices, Brympton Way, Yeovil on **Thursday, 28th August 2008**.

(10.00 a.m. – 11.05 a.m.)

Present:

Members: Derek Yeomans (in the Chair)

Roy Mills	Alan Smith
John Richardson	Colin Winder
Peter Roake	

Also Present:

Tim Carroll

Officers:

Donna Parham	Head of Finance
Amanda Card	Principal Accountant
Gerry Cox	Head of Internal Audit Partnership
Ian Potter	Acting Head of Housing and Revenues
Andrew Blackburn	Committee Administrator

27. Minutes (Agenda item 1)

The minutes of the meeting held on the 24th July 2008, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

Prior to consideration of the items on the agenda, Cllr. Colin Winder referred to the bid for the redevelopment of the Foundry House site in Yeovil, which had been considered recently by a Scrutiny Commission and District Executive. He mentioned concerns as to whether clear processes had been in place in dealing with this scheme. The Head of Finance commented that she was content that clear processes had been followed.

Arising from that matter the Head of Finance mentioned that the new Procurement Procedure Rules, which were to be submitted to Council for adoption in September 2008, would soon be operational. The Committee concurred with her suggestion that the operation of the new rules be monitored through the Head of ICT and Procurement who could include this as part of his routine monitoring reports to Committee, perhaps on a six monthly basis.

28. Apologies for Absence (Agenda item 2)

Apologies for absence were received from Cllrs. Mike Best, John Calvert, Ian Martin and Tom Parsley.

29. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

30. Public Question Time (Agenda item 4)

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

31. South West Audit Partnership – Quarter 1 Report 2008/2009 (Agenda item 5)

The Head of Internal Audit Partnership summarised the agenda report, which provided members with a summary of Internal Audit activity for the period 1st April to 30th June 2008.

Upon summarising his report, the Head of Internal Audit Partnership commented that overall the position was a positive one. He particularly referred to the audit of the Community Resource Service and commented that a comprehensive assurance had been given with regard to internal controls. He mentioned that the facility was well controlled and delivered a high quality service.

He also referred to two services where only a partial assurance could be given by Internal Audit that adequate internal controls were in place.

In referring to the Wincanton Sports Centre, he explained that the Centre was audited on behalf of the Council as it had assisted the organisation in the provision of the premises and also provided grant aid. One of the conditions of that assistance was that the Council had the right to audit its operations. The Centre was not, however, under the direct control of the Council but controlled by a Management Board. The Internal Audit review could, therefore, only influence the Management Board and any action beyond that was limited. He further indicated, however, that the Management Board had recognised the issues concerned and had been responsive.

In response to questions, the Head of Internal Audit Partnership informed members that although financial controls were sound there were a number of general management issues. He further indicated that an action plan in respect of the Centre had been prepared and a follow up review would be undertaken. The Committee also noted that a copy of the Internal Audit report had been sent to the Head of Sport, Arts and Leisure bearing in mind that the service was grant aided by the Council. Councillor Tim Carroll, who mentioned that he was an observer on Wincanton Sports Centre's Management Board, felt that the Board would have to respond formally to the audit report. In response to a question, the officers reiterated the reasons why Wincanton Sports Centre was audited by Internal Audit whilst other organisations who received grant aid from the Council were not. It was mentioned, however, that other assisted organisations could be looked at if there were specific concerns under certain circumstances but there was no retained automatic right as in the case of the Sports Centre.

The Head of Internal Audit Partnership, in response to a question, indicated that in terms of exposure to risk of a service a decision was made in conjunction with the Head of Finance, as the Council's Section 151 Officer, on when follow up reviews should be undertaken.

The Head of Internal Audit Partnership then referred to the review of IS Networks within the Council and explained to members the reasons for this service having been given only a partial assurance. The Committee noted that the Head of ICT and Procurement was

dealing with the issues of concern as a matter of urgency. The Head of Finance also mentioned that the Management Board were looking at the issues raised.

The Chairman mentioned that the Committee had previously agreed that where services had been given only a partial assurance, a further report should be submitted in three months.

The Committee congratulated the Community Resource Service on achieving a comprehensive assurance.

RESOLVED: that the Quarter 1 report 2008/2009 of the South West Audit Partnership be noted and accepted.

*(Gerry Cox, Head of Internal Audit Partnership – (01458) 257410)
(gerry.cox@southwestaudit.gov.uk)*

32. Update on Homelessness Service Audit Action Plan (Agenda Item 6)

The Acting Head of Housing and Revenues referred to the agenda report, which updated members on the actions taken to improve processes and internal controls in the homelessness part of the Housing and Revenues service following the internal audit of this service in 2007.

The Acting Head of Housing and Revenues summarised the details contained in the action plan attached to the agenda. He referred to a lot of work having been done against the action plan and to the majority of the actions having been completed, together with improved record keeping generally across the service. The only work remaining involved the production of a report reviewing and demonstrating that the Homeless Prevention Fund offered value for money and seeking members' approval for the continuation of the scheme. Work was also ongoing with regard to the homelessness budget to ensure that budgets were set realistically. It was noted that the expenditure budget had been revised for 2008/09 but the income budget for rent in advance payments and deposits was still to be considered. It was noted that a report on both of those issues would be submitted to the District Executive at its meeting in November 2008.

The Committee further noted that the Homelessness Service would be subject to an operational audit again in Quarter 4 of this financial year.

The Acting Head of Housing and Revenues then responded to a member's questions regarding the potential impact on the Homelessness Service of migrants from the European Community returning to their home countries and on the impact on the availability of properties because of the current national economic downturn. In summary, he informed members that some monitoring of the footfall for the service was being undertaken and in general terms officers were doing a good job in finding properties, which were still coming through. It was noted that a new Private Sector Tenancy Sustainment Officer would be starting shortly which would assist that situation.

In response to comments, the Acting Head of Housing and Revenues mentioned that there was a need to look at all options in dealing with homelessness including use of the Homeless Prevention Fund and the monitoring of bed and breakfast use. He referred to the cost of the prevention fund being small compared with the use of bed and breakfast accommodation. He also explained how the removals and storage system operated. With regard to the use of a computer database for homelessness records, he commented that

the IT system had not yet been fully implemented but it was expected that the homelessness module would be available by the end of the year.

The Committee concurred with the comments of the Chairman who was pleased that so many of the actions in the action plan had been completed. The Committee was content with the considerable progress made.

- RESOLVED:** (1) that the actions and progress made to improve processes and internal controls in the Homelessness Service be noted and accepted;
- (2) that the Acting Head of Housing and Revenues submit a further update in six months' time.

(Ian Potter, Acting Head of Housing & Revenues – (01935) 462941)
(ian.potter@southsomerset.gov.uk)

33. 2008/09 Annual Governance Statement Action Plan (Agenda Item 7)

The Head of Finance summarised the agenda report and the Committee reviewed the progress with the 2008/09 Annual Governance Statement Action Plan.

Reference was made to item 1 in the action plan and the Head of Finance commented that she was pleased that the new Procurement Procedure Rules had now progressed to the stage where they could be submitted to full Council for approval. It was noted that the rules would be presented to the Council at its meeting on 18th September 2008. She indicated that training would be arranged for those officers involved in purchases of goods, services and works for the authority.

In referring to item 6 in the action plan regarding the alignment of key strategies to ensure linkages were clear and explicit, the Head of Finance reported that work was ongoing and that the monitoring of plans and strategies was carried out by Management Board.

The Head of Finance also referred to item 7 in the action plan regarding the improvement of performance management and reported that this matter concerned Directors having more written records with Heads of Service in respect of the monitoring of service plans. She mentioned that this had previously been carried out informally but the Audit Commission had required a more formal system.

It was noted that actions 6 and 7 were due for completion by March 2009.

- RESOLVED:** that the progress report in respect of the 2008/09 Annual Governance Statement Action Plan be noted and accepted.

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

34. Summary Statement of Accounts (Agenda Item 8)

Reference was made to the agenda report and the Committee was asked to comment on the 2007/08 Summary of Accounts before it was published.

Upon inspecting the Summary of Accounts document members suggested that the following amendments be made:-

- in the pie chart under the section “Where the money goes” the reference to “Non-Distributed, Trading & Other Costs” be amended to read “Other Costs” with a note underneath to give an idea of what they were;
- in the pie chart under the section “Where the money comes from” the reference to “Specific Government Contribution” be amended to read “Government Payment for Benefits” and the reference to “Central Government Support” be amended to read “Income from Central Government”;
- the reference to “Other housing projects” under “Health & Wellbeing” in the section relating to Capital Expenditure be amended to read “Other house grants and payments”;
- under the section “Council Tax Facts and Figures” the text that commences “As a precepting authority we have to collect Council Tax on behalf of ...” be amended to read “As a precepting (billing) authority we have to collect Council Tax on behalf of ...”.

RESOLVED: that the 2007/08 Summary of Accounts be approved for publication subject to the above amendments.

(Amanda Card, Principal Accountant - Exchequer - (01935) 462542)
(amanda.card@southsomerset.gov.uk)

35. Date of Next Meeting (Agenda item 9)

Members noted that the next meeting would be held on Thursday, 25th September 2008 at 10.00 a.m. in Committee Room 3/4, Council Offices, Brympton Way, Yeovil.

NOTED.

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

.....
 Chairman