

MEETING AC.09:0809
DATE 26.03.09

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, 26th March 2009**.

(10.00 a.m. – 11.10 a.m.)

Present:

Members: Derek Yeomans (in the Chair)

Mike Best	Peter Roake
John Calvert	Alan Smith
Roy Mills	Colin Winder
John Richardson	

Also Present:

Robin Munday

Officers:

Donna Parham	Head of Finance
Ian Clarke	Head of Legal and Democratic Services
Mike Holliday	HR and Performance Manager
Brian Bethall	Audit Manager, Audit Commission
Angela Cox	Committee Administrator

70. Minutes (Agenda item 1)

The minutes of the meeting held on the 26th February 2009, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

71. Apologies for Absence (Agenda item 2)

An apology for absence was received from Councillors Ian Martin, Tom Parsley, Tim Carroll and Philip Dolan, Chief Executive.

72. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

73. Public Question Time (Agenda item 4)

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

74. Annual Audit and Inspection Letter (Agenda item 5)

The Head of Finance advised that the Annual Audit and Inspection Letter would also be discussed at Scrutiny Committee and District Executive. It was for Audit Committee to comment on the governance issues raised in the report and any comments made by the Committee would be reported to District Executive.

Brian Bethall, Audit Manager for the Audit Commission, said the report was very positive and complimentary. He emphasised that although the overall assessment figure was 3, SSDC had narrowly missed attaining a 4 (excellent rating), which was of particular note as the Audit Commission raised their standards of assessment each year.

In response to questions from Members, the Audit Manager confirmed that:-

- Although the planning service for the determination of applications had improved, there were still difficulties in other areas within the service.
- They noted the Pioneer Somerset project was progressing slowly, however, it had yet to identify any tangible benefits or savings for either partners.
- The final point made in Key Messages was to encourage the Council to have an interim review of some performance indicators to ensure early identification of potential problem areas.

The Head of Finance confirmed that an Equality & Diversity Officer had now been appointed and so the point made by the Audit Commission that SSDC were making slow progress in their approach to equalities and diversity, as detailed in their Key Messages, would be shortly addressed. Also, a computerised performance management package was being considered to address the Audit Commission's concerns on the interim reviewing of performance indicators.

Reference was then made to the Pioneer Somerset project and its need to become more unified and focused on working in partnership to achieve savings across services.

Members were pleased to note the training and development of both Councillors and staff. The HR and Performance Manager confirmed that employees who had gained professional qualifications at SSDC expense were required to repay part of their tuition fees if they left the council's employment within two years of gaining their qualification.

The Head of Finance noted that the Housing Service had been recently audited and that audit report would be presented to Audit Committee in July for a full debate on the service.

Audit Committee Members were content to note the contents of the Annual Audit and Inspection Letter 2007/08.

RESOLVED: that the contents of the Annual Audit and Inspection Letter 2007/08 be NOTED.

(Philip Dolan, Chief Executive – (01935) 462101)
(Philip.dolan@southsomerset.gov.uk)

75. Anti Fraud and Corruption and Whistleblowing Policies (Agenda Item 6)

The Head of Legal and Democratic Services summarised the agenda report and asked the Committee to agree the minor amendments to the Anti-Fraud and Corruption and Whistleblowing Policies as detailed in his report and recommend them to full Council for adoption. He noted that the last review of the policies had been in April 2007 and the minor amendments proposed would ensure the policies were fit for purpose.

In response to questions from Members, the Head of Legal and Democratic Services confirmed that:-

- there had been some prosecutions for Housing Benefit fraud, which, when successful, were publicised in the press and on the SSDC website.
- leaflets informing staff of the policy had been circulated with salary advice forms and an overview of the policy was part of the new staff induction process

The Committee ask that the word 'expected' be removed from the Anti-Fraud, Theft and Corruption Policy at page 24 of the agenda. The sentences to read:-

"Senior Management are to deal swiftly and firmly with those who defraud or steal from the Council or who are corrupt." and

"Staff of the Council are to follow the Council's Code of Conduct and, where applicable, their Professional Institute's Code of Ethics."

During discussion, Members felt that the confidentiality of whistleblowing was paramount and that any employee should feel comfortable that it would not prejudice their future career within SSDC or elsewhere.

Members were content to agree the Anti-Fraud and Corruption and Whistleblowing Policies as presented, with the above mentioned removal of the word 'expected' and recommend them to full Council for adoption.

RESOLVED: that the Audit Committee agreed the minor amendments to the Anti-Fraud and Corruption and Whistleblowing Policies as detailed in the Officer's report and further propose the removal of the word 'expected' from two sentences to require Management and staff to act accordingly, and recommend them to full Council for adoption.

(Ian Clarke, Head of Legal and Democratic Services – (01935) 462184)
(ian.clarke@southsomerset.gov.uk)

76. Anti Money Laundering Policy (Agenda Item 7)

The Head of Finance summarised the agenda report and asked the Committee to review and endorse the Anti Money Laundering Policy as attached to the agenda. It was noted that the Policy was last reviewed by the Audit Committee at its meeting in June 2007.

In response to questions from Members, the Head of Finance confirmed that:-

- the new SSDC cash payment machines would automatically reject fraudulent notes and coins.

- She was currently looking at overpayments and refunds on Council Tax accounts to check for any possible money laundering processes.
- The £10,000 limit for linked one-off transactions was the limit recommended by CiPFA (the Chartered Institute of Public Finance and Accountancy).
- Naming employees personally in the Policy would assist officers to contact them quickly

Members were content to agree the amendments to the Anti Money Laundering Policy as proposed by the Head of Finance.

RESOLVED: that the Audit Committee agreed the amendments to the Anti Money Laundering Policy as detailed in the Officer's report.

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

77. Progress on HR and Payroll Action Plans (Agenda Item 8)

The Human Resource and Performance Manager summarised the agenda report, stating that good progress had been made since the Payroll Audit in January 2009 and the two actions identified within the Audit Report had now been addressed.

The Committee were content to note the progress made on the HR and Payroll Action Plans and to release the Human Resource and Performance Manager from further reporting.

RESOLVED: that the progress made on the HR and Payroll Action Plans be NOTED.

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

78. Date of Next Meeting (Agenda item 9)

Members noted that the next meeting would be held on Thursday, 23rd April 2009 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)*

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Chairman