

MEETING AC.05:0910
DATE 24.09.09

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, 24th September 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	Assistant Director (Finance & Corporate Services)
Colin McDonald	Corporate Strategic Housing Manager
Gary Russ	Head of Procurement and Support Services
Amanda Card	Principal Accountant – Corporate Finance
Terry Bowditch	Audit Manager, Audit Commission
Andrew Ellins	Principal Auditor, South West Audit Partnership
Angela Cox	Democratic Services Manager

38. Minutes (Agenda item 1)

The minutes of the meeting held on the 27th August 2009, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

39. Apologies for Absence (Agenda item 2)

Apologies for absence were received from Councillors John Hann and Ian Martin.

40. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

41. Public Question Time (Agenda item 4)

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

42. The process to acquire land for the purpose of Gypsy and Traveller Provision (Agenda item 5)

The Corporate Strategic Housing Manager advised that the report would also be discussed by the District Executive the following week. He said it was hoped that the amendment would allow the Council to act swiftly if suitable land became available for purchase.

The Chairman requested the addition of an arrow to the flow-chart in the SSDC Gypsy and Traveller land acquisition Strategy and Process, to inform the Ward Member of any impending purchase of land within their Ward.

During discussion, members felt that the amendment would be a positive step to assist in the swift purchase of land. It was noted that for purposes of clarity, the insertion of numbers should be made to the amended Financial Procedure Rule and in the paragraph to be inserted, the word 'disposal' be replaced with 'acquisition'.

RESOLVED: that the Audit Committee recommend to full Council to approve the amendment to Financial Procedure Rule 13.2 to assist in the acquisition of land, valued at £50,000 or below, for gypsy and traveller provision.

The rule to read:

"No arrangements shall be made for the acquisition or disposal of land and buildings where the value is estimated to exceed £10,000, (with the exception of **(1)** transfers of housing or parking land to RSL's, and the provision of gypsy, and, **(2)** traveller land under £50,000 with a budget provision), without first gaining the approval of the District Executive and meeting any requirements stipulated by the District Executive. If the proposal is not within the approved Capital Budget, the District Executive will make a recommendation.

Requests for the purchase of land for gypsy and traveller provision valued at under £50,000 must follow the agreed policy for such **an acquisition**. Approval is required of the Portfolio Holder – Health, Housing and Social Inclusion. Any transfers outside of the agreed policy or where the gypsy/traveller land is valued at £50,000 or more shall seek District Executive approval".

*(Colin McDonald, Corporate Strategic Housing Manager - (01935) 462331)
(colin.mcdonald@southsomerset.gov.uk)*

43. Procurement Service Audit Action Plan Update (Agenda Item 6)

The Procurement and Support Services Manager advised that he had been addressing the issues raised by the audit report and had now updated the Procurement Service Action Plan. There was now a Corporate Contracts Register in place, which had been highlighted as an area of concern by the audit report.

The Assistant Director (Finance & Corporate Services) confirmed that under the recent management restructure, Procurement was now part of Finance and any support the Procurement and Support Services Manager required could be provided within the team.

In response to a question, the Procurement and Support Services Manager confirmed that SSDC had access to a web-based list of contractors approved by the DTi and it was from this list that any contractor recommendations should be drawn. He said that he would ensure all SSDC officers and particularly Building Control officers, were aware of this.

The Chairman thanked the Procurement and Support Services Manager for his report and confirmed that the Committee were content to release him from regular Audit Committee monitoring.

RESOLVED: that the Procurement Service Audit Action Plan be noted.

*(Gary Russ, Procurement & Support Services Manager - (01935) 462076)
(gary.russ@southsomerset.gov.uk)*

44. Summary Statement of Accounts (Agenda item 7)

The Principal Accountant (Corporate Finance) advised that the Summary Statement of Accounts leaflet, when confirmed, would be circulated to all households within the district, as it had been for the previous four years. She asked for the Committee's comments on the layout and content.

During the ensuing discussion, it was noted that the gross budget and net budget figures could be confusing to the general public and the Assistant Director (Finance and Corporate Services) agreed to add a sentence to explain the administration of the Housing Benefits system to partly address this.

It was further noted that the word 'Eastments' be replaced with 'Easements' in the diagram 'Where the money comes from'.

The Chairman thanked the Principal Accountant (Corporate Finance) for the production of a clear and concise leaflet and confirmed its publication with the two amendments mentioned.

RESOLVED: that the Audit Committee confirm the publication of the Summary Statement of Accounts leaflet with the following amendments:-

1. a sentence be added to explain the administration of the Housing Benefits system
2. the word 'Eastments' be replaced with 'Easements' in the diagram 'Where the money comes from'

*(Amanda Card, Principal Accountant – Corporate Finance - (01935) 462542)
(amanda.card@southsomerset.gov.uk)*

45. Audit Commission Annual Governance Report (Agenda item 8)

The Audit Manager of the Audit Commission advised that this was one of two key reports for SSDC (the other being the Annual Audit Letter due in December 2009), which must be presented to the Audit Committee prior to them agreeing the accounts.

He paid credit to the Assistant Director (Finance and Corporate Services) and her team of accountants for their assistance and provision of background papers during the compilation of the Governance Report and noted that:-

- The Yeovil Innovation Centre had been re-categorised to an Investment Property Asset as it was now operational.
- The Section 106 contributions had been re-named as Developers Contributions for clarity.

- The actuary values and pension fund had been amended from mid-price to bid-price which was a prior-period adjustment and which made the accounts a more accurate reflection.

The Audit Manager of the Audit Commission then drew Members attention to the Use of Resources scores. He said that a new scoring regime had been introduced, and early indications were that only a minority of district councils would be achieving Level 3 out of a possible 4 this year. South Somerset had proved exceptional in scoring 3 in every area with the exception of risk management and internal control. These high scores were partly due to the excellent demonstration of outcomes and supporting background evidence.

The Procurement and Support Services Manager confirmed that areas of risk, controls and mitigations had been identified across the Council.

The Assistant Director (Finance and Corporate Services) noted that the Benefit Fraud Investigation team were being incorporated into the Legal Service team and this should prove an effective change in time.

During discussion, Members also felt that the Anti-Fraud and Whistle Blowing Policies should be included as compulsory training for all staff.

Members were content to confirm the recommendations of the report.

RESOLVED: That the Audit Committee:-

1. noted the matters raised in the report.
2. agreed the Head of Finance to sign the representation letter outlined in Appendix 3. on behalf of SSDC.
3. noted the draft Auditor's report as outlined in Appendix 1 and amendments made to the Statement of Accounts in Appendix 2.
4. noted the Use of Resources key findings and conclusions as outlined in Appendix 4.
5. agreed the recommended actions in Appendix 5 and to noted that they had been added to the Strategic Improvement Plan.

*(Donna Parham, Assistant Director (Finance & Corporate Services) - (01935) 462225)
(donna.parham@southsomerset.gov.uk)*

46. 2008/09 Annual Statement of Accounts (Agenda item 9)

The Assistant Director (Finance & Corporate Services) reminded Members that they had approved the draft Statement of Accounts at their meeting in June 2009, however, since then two amendments had been made, in agreement with the Audit Commission.

The Principal Accountant (Corporate Finance) drew Members attention to the two amendments on pages 25 and 38 of the Statement of Accounts relating to reclassification of the Yeovil Innovation Centre and a note regarding Developers Contributions on Table 29.

In response to a question, the Procurement and Support Services Manager confirmed that information on Carbon and CO2 emissions would have been supplied by the Climate Change Officer, from information provided by the Carbon Trust. He confirmed that officers across the council were looking at areas where energy could be reduced by SSDC.

The Assistant Director (Finance & Corporate Services) confirmed that cash paid to and behalf of employees (page 26) was income tax and contributions to the pension fund. She further confirmed that income from empty properties, pledged by SSDC to the Local Strategic Partnership (LSP), was deducted and held in a separate account from monies paid over to the County Council.

Members confirmed that they were content to note the amendments to the Statement of Accounts.

RESOLVED: that the amendments to the Statement of Accounts be noted.

*(Donna Parham, Assistant Director (Finance & Corporate Services) - (01935) 462225)
(donna.parham@southsomerset.gov.uk)*

47. Date of Next Meeting (Agenda item 10)

Members noted that the next meeting would be held on Thursday, 22nd October 2009 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