

MEETING AC.10:0910
DATE 25.03.10

South Somerset District Council

Draft Minutes of a meeting of the **Audit Committee** held in the Main Committee Room, Council Offices, Brympton Way, Yeovil on **Thursday, 25th March 2010**.

(10.00 a.m. – 11.35 a.m.)

Present:

Members: Derek Yeomans (in the Chair)

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| John Calvert | Peter Roake |
| Ian Martin | Alan Smith (until 11.00 a.m.) |
| Roy Mills | Colin Winder |

Also Present:

Tim Carroll

Officers:

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| Donna Parham | Assistant Director - Finance and Corporate Services |
| Gary Russ | Procurement and Risk Manager |
| Steve Joel | Assistant Director - Health and Well-being |
| Kirsty Jones | Housing and Welfare Manager |
| Sara Kelly | Area Support Team Leader (South) |
| Andrew Blackburn | Committee Administrator |

84. Minutes (Agenda item 1)

The minutes of the meeting held on the 25th February 2010, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

85. Apologies for Absence (Agenda item 2)

Apologies for absence were received from Cllrs. Mike Best, John Hann and John Richardson.

86. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

87. Public Question Time (Agenda item 4)

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

88. Update on Homelessness Service Action Plan (Agenda item 5)

The Assistant Director (Health and Well-being) referred to the agenda report, which provided members with an update on the Homelessness Service Audit Action Plan. He referred to the actions having been completed with the exception of action 8.1 relating to aged debts. He indicated that some progress had been made to implement a more robust system for managing aged debts although he had hoped to have moved further forward with its completion. He referred to working closely with the financial systems team and to modifications being made to the Council's financial management system to enable better management information on aged debts to be provided. The Assistant Director (Finance and Corporate Services) remarked that the minor modification required would produce a significant improvement.

The Assistant Director (Health and Well-being) further reported that the staffing structure within the housing and welfare team had been looked at as there had previously been insufficient capacity to cover the finance aspects adequately. He indicated that there was now a hierarchy including a Senior Finance Officer and a Finance Officer, which would give that capacity. He reported, however, that it had been necessary to make interim temporary staffing arrangements to cover staff illness, which would come into place during the next week. The Committee also noted that work was commencing on developing a new revenue collection policy and management process to underpin the improved aged debt reporting. The Assistant Director (Health and Well-being) referred to there having been inconsistencies in the time spent recovering monies and indicated that in future efforts would be focussed on identifying those people who should and had the means to pay rather than those who could not pay. It was noted that the measures should be in place by the end of June 2010.

The Assistant Director (Finance and Corporate Services) reported that the South West Audit Partnership would be conducting a further review of the processes in the first quarter of the new financial year.

In response to a question, the officers clarified that there were no new additional costs arising from the recommendations contained in the agenda report.

The Committee concurred with the comments of the Chairman who felt that positive progress had been made.

- RESOLVED:**
- (1) that the actions and progress made in respect of the Homelessness Service Audit Action Plan be noted and accepted;
 - (2) that it be noted that the implementation date for action 8.1 had been rescheduled for Quarter 2 2010;
 - (3) that a further update report be submitted to the Committee at the July 2010 meeting.

*(Kirsty Jones, Housing and Welfare Manager - 01935 462744)
(kirsty.jones@southsomerset.gov.uk)*

89. Update on Yeovil Recreation Centre Audit Action Plan (Agenda Item 6)

The Assistant Director (Health and Well-being) referred to the agenda report, which provided members with an update on the action being taken to improve the key controls at

Yeovil Recreation Centre following the internal audit of this service reported in October 2009.

The Assistant Director (Health and Well-being) reported that all but one of the actions had been completed and updated members on the outstanding action point (3.1a), which related to the introduction of a system in order to provide assurance that income was received for all tickets sold. He informed members that having looked at various methods it had been decided to install a CCTV camera above the counter. It was expected that the equipment would be installed by the end of April 2010 and that it would be a robust system for the prevention and investigation of any fraudulent activity. He further reported that it was hoped to use existing equipment for this purpose.

The Committee was pleased with the progress made in respect of the Yeovil Recreation Centre Audit Action Plan and content to release the Assistant Director (Health and Well-being) from further reporting.

- RESOLVED:** (1) that the actions and progress made in respect of the Yeovil Recreation Centre Audit Action Plan be noted and accepted;
- (2) that the Assistant Director (Health and Well-being) be released from further reporting.

(Lynda Pincombe, Community Health and Leisure Manager - 01935 462614)
(lynda.pincombe@southsomerset.gov.uk)

90. Markets Audit Action Plan - Update (Agenda item 7)

The Area Support Team Leader (South) referred to the agenda report, which updated members on the work undertaken in respect of the Markets Audit Action Plan. She commented that the audit had provided a helpful review of the service. She further reported that District Executive had approved new budget income levels, which meant that markets would now have a realistic income to achieve and would provide a sound basis for improvement measures for the delivery of the service. She informed members of the details of the new budgets and income targets for both Areas South and West. In response to a question, she commented that she felt that the new income targets were realistic.

In referring to the action plan, the Area Support Team Leader reported that 13 of the 18 actions had been completed. She also updated members on the outstanding action points as follows:-

- 1.1a - the Area Development Managers in Areas South and West were working together to prepare a set of objectives and an improvement plan for the markets in those areas and it was hoped that they would be completed by June 2010;
- 2.1a - reference was made to awaiting the completion of the work to refresh the Council's website before actioning the update of the markets page to maximise the potential trader and customer knowledge. The refresh, however, was taking longer than anticipated but in the meantime a better page on markets containing improved information for traders and the public would be published on the current website during the next week. A member referred to Yeovil market where support was received from Yeovil Town Council and the Town Centre Manager and suggested that it would be helpful if the Town Councils in Area West could do more to help support and publicise those markets;

- 2.3a - reference was made to engaging with market traders when it was commented that they were not necessarily inclined to come to meetings. The Area Support Team Leader reported that there had been some progress with a survey having been produced for market traders and the public. She hoped that by summer 2010 further engagement opportunities would be underway;
- 3.2a/3.2b - the market guidelines had been reviewed and were to be checked by the Legal Section. It was noted that when market traders signed up for a pitch they were asked to abide by the guidelines.

In conclusion, the Area Support Team Leader commented that she felt that good progress had been made, particularly given that the new Area Development Manager in Area South had only started in post recently. In response to a question she anticipated that the outstanding actions would be completed by the end of July 2010.

A member referred to action 4.1b and queried the practice of market income being taken home by the Market Supervisor. The Area Support Team Leader clarified that this related to income collected on a Saturday when the offices were not open and that the Council's Insurance Officer was content with this arrangement bearing in mind the amount of money involved. The Committee concurred with the suggestion of the Chairman that the possibility of using a bank nightsafe be looked at, which was noted by the Area Support Team Leader. She also indicated that safety issues were looked at including the Market Supervisor calling in and links with the Yeovil Town Centre Manager's Office.

The Committee was content with the progress made and asked for a further update at the August 2010 meeting.

- RESOLVED:**
- (1) that the actions and progress made in respect of the Markets Audit Action Plan be noted and accepted;
 - (2) that a further update report be submitted to the Committee at the August 2010 meeting.

(Martin Woods, Assistant Director (Communities) - 01935 462060)
(martin.woods@southsomerset.gov.uk)

91. Risk Management Update (Agenda item 8)

The Procurement and Risk Manager summarised the agenda report, which updated members on the risk management process and latest position with the Council's risk register, including its transition from the current 'Magique' system to its incorporation within the new performance management system (TEN). He further expressed his view that the Council's status in respect of risk management was commendable with officers and members being aware of what risk, and decisions concerning risk, involved.

The Procurement and Risk Manager also reported that since the agenda report had been prepared, he had further reviewed the risk register and as a result some of the information shown in the risk profile table (heat map) on the agenda had changed. An updated risk profile table was circulated to those members at the meeting together with a copy of the most up to date risk register for their information from which it was noted that the number of critical risks had reduced.

He further reported other amendments that needed to be made to the risk register including the removal of one of the risks, i.e. Pioneer Somerset, as the Council had withdrawn from

that project. Reference was also made to the removal of the heading 'Effectiveness' from the list as this had been part of the Magique system but was not applicable to the risk context but rather to quality assurance.

The Procurement and Risk Manager also referred to the new partnership working with East Devon District Council and commented that there would be a need to consider, in due course, the approach to risk management at both this Council and East Devon. The Assistant Director (Finance and Corporate Services) mentioned that the Joint Integration Committee was due to start meeting regularly from April and would be considering what was possible in respect of integrating services between the two councils.

A member queried why the risk management information was being transferred to a new system and the Committee was informed that the Council had acquired a new performance management system, which had given greater versatility and included a risk management element. The new system would enable performance and risk management to be looked at in the same context.

The Committee noted the recommendation that additional risk management training and awareness sessions should be undertaken by members and it was suggested that the training for the Audit Committee take place at the next meeting.

- RESOLVED:** (1) that the risk management update report be noted;
- (2) that the Procurement and Risk Manager provide a risk management training and awareness session for Audit Committee members at the next meeting to be held on 22nd April 2010.

(Gary Russ, Procurement and Risk Manager - 01935 462076)
(gary.russ@southsomerset.gov.uk)

92. Audit Review - Asset Management Update Report (Agenda item 9)

The Assistant Director (Finance and Corporate Services) summarised the agenda report, which provided members with an update on the latest position with the Asset Management Audit Action Plan. She further referred to the 5 policies that had been written, as mentioned in the agenda report, which had been considered by the Equalities Panel who felt that they constituted good practice. The Assistant Director also mentioned that the Asset Management Team managed assets well but the audit report had highlighted the need to improve the audit trail and documentation of the work they carried out. The team had taken this on board and improvements had been made.

The Assistant Director then responded to members' questions and comments. Points addressed included the following:-

- reference was made to action 2.5a regarding the need for a formal inventory of fixed assets in respect of the rental of commercial properties. The Assistant Director commented that the Property Services Team were being asked to carry out more regular inspections, which should mean that repairs and maintenance could be minimised. The inspections should also pick up any works carried out by a tenant where prior permission had not been asked for;
- the Assistant Director explained that the Asset Management function had been transferred to the Finance Section to enable a more financial view to be taken of the

Council's assets including costs, income, whether a profit was made and whether properties should be kept, sold or bought;

- reference was made to the number of historical leases that had not yet been signed and the Assistant Director reported that they were down now to about five. The Asset Management Team were robust, however, in ensuring that new leases were in place and signed by both parties before the tenant moved in. The Committee stressed the need to ensure that leases were signed before a property was occupied by a tenant;
- a member referred to the action points in respect of allotments and commented that he understood that parish councils usually had responsibility for the provision of allotments. The Assistant Director reported that some allotments had remained with the Council following the housing stock transfer some years ago, a couple of which were still held. The Committee concurred with the suggestion of the Chairman that the Council look at transferring the allotments to the appropriate parish council. The Assistant Director agreed to investigate that possibility.

The Committee was content with the progress being made but asked for a further update at the July 2010 meeting.

- RESOLVED:** (1) that the actions and latest position in respect of the Asset Management Audit Action Plan be noted and accepted;
- (2) that a further update report be submitted to the Committee at the July 2010 meeting.

(Amanda Card, Finance Manager - 01935 462542)
(amanda.card@southsomerset.gov.uk)

93. Use of Resources Action Plan Monitoring (Agenda item 10)

Reference was made to the agenda report and the Assistant Director (Finance and Corporate Services) presented the Use of Resources Action Plan, which was attached to the agenda.

The Assistant Director further reported that the Action Plan aimed to achieve a stronger 3 score and the judgement of the Audit Commission would be known on 21st April 2010.

In response to a question, the Assistant Director clarified how information from benchmarking exercises was used to inform budget setting and performance targets. She also explained the differences between the benchmarking criteria used by the Sparsity Partnership for Authorities delivering Rural Services (SPARSE), CIPFA statistics and the Audit Commission Value for Money Toolkit.

- RESOLVED:** that the completed actions and progress with the Use of Resources Action Plan be noted.

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

94. Date of Next Meeting (Agenda item 11)

Members noted that the next meeting would be held on Thursday, 22nd April 2010 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