

MEETING AC.08:1011
DATE 27.01.11

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, 27th January 2011**.

(10.00 a.m. – 11.15 a.m.)

Present:

Members: Derek Yeomans (in the Chair)

Ian Martin	Peter Roake
Roy Mills	Alan Smith
John Richardson	Colin Winder

Also Present:

Robin Munday

Officers:

Donna Parham	Assistant Director (Finance and Corporate Services)
Amanda Card	Finance Manager
Karen Gubbins	Principal Accountant - Exchequer
Roger Brown	ICT Manager
Pam Harvey	Civil Contingencies Manager
Andrew Blackburn	Committee Administrator

Also Present:

Peter Lappin Audit Manager, Audit Commission

70. Minutes (Agenda item 1)

The minutes of the meeting held on the 25th November 2010, 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)

Apologies for absence were received from Cllrs. John Calvert and John Hann.

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. Certification of Claims and Returns: Annual Report (Agenda item 5)

The Chairman welcomed the Audit Manager from the Audit Commission who summarised the Commission's annual report on their findings arising from the certification of the Council's 2009/10 claims/returns to Government grant paying departments, a copy of which was attached to the agenda. Those claims related to the Housing and Council Tax Benefit Scheme, Disabled Facilities Grants and the National-Non Domestic Rates (NNDR) Return.

The Committee noted that the claim in respect of the Housing and Council Tax Benefit Scheme was given a qualified opinion because of errors found in claims once tested. It was noted, however, that the value of the errors was relatively low. No errors had been found in the Disabled Facilities Grants claim and only a small error within the NNDR claim. The relevant sums that would need to be repaid to the Government were shown in the report. The Committee noted that an action plan, which was set out in the Audit Commission's report, had been agreed to improve the position in future years. The Assistant Director (Finance and Corporate Services) commented that the administration of the benefits system was very complex and some human error was inevitable but the action plan would ensure that this was minimised. The Audit Manager commented that there had been a lot of improvement since the previous year's report and this had been reflected in the lower fee charged.

During the ensuing discussion reference was made to further testing that had been carried out in respect of the 2008/09 Housing Benefit and Council Tax Benefit subsidy claim. This testing had involved an increased number of samples, which proved more representative of the claims put forward. The Audit Commission had reviewed the Council's testing and calculations, which they had found to be fairly stated and consequently was to the Council's benefit in respect of the claim. The Chairman thanked the Audit Manager for the work carried out.

RESOLVED: that the content of the Audit Commission's Certification of Claims and Returns: Annual Report 2009/10 be noted.

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

75. Health, Safety and Welfare – Annual Report (Agenda Item 6)

The Civil Contingencies Manager summarised her report on the agenda, which informed members of health, safety and welfare issues relevant to the Council's activities and undertakings covering the period December 2009 to November 2010. She indicated that her annual report to the Committee contained an overview of health and safety matters and/or concerns, details of any new or impending health and safety legislation and comments on other health, safety or welfare matters that may have some impact on Council activities.

The Civil Contingencies Manager reported that since the retirement of the Safety Adviser, the responsibility for the management of health, safety and welfare had passed to her. She also referred to exploring the opportunity for the Health and Safety Adviser at the Council's Lufton Depot to play a more corporate role in the health and safety management process and she hoped that this matter would be resolved very shortly. She also mentioned that she spent some of her time each week covering civil contingencies arrangements at East Devon District Council.

A member referred to the table showing the number of accidents reported, particularly those relating to the Streetscene Service, which was a high risk area. In response to a question, the Civil Contingencies Manager reported that the number of incidents relating to the service had reduced by around 50% since last year.

A member referred to the time, effort and bureaucracy involved in recording relatively minor incidents. The Civil Contingencies Manager indicated that any incident noted in the accident book had to be recorded. She reported, however, that she was working on introducing a more streamlined process for recording accidents by way of an additional module being included within the Council's current performance system (TEN). She also referred to looking at regulating health and safety inspections of the Council's premises and making more information available on health and safety to employees.

RESOLVED: that the report of the Civil Contingencies Manager giving an update on health, safety and welfare issues be noted and accepted.

*(Pam Harvey, Civil Contingencies Manager – 01935 462303)
(pam.harvey@southsomerset.gov.uk)*

76. Preparation of 2010/11 Statement of Accounts and IFRS (Agenda item 7)

The Finance Manager summarised the agenda report, which updated members on the progress being made on implementing statutory changes required in financial reporting from UK General Accepted Accounting Practice (UK GAAP) to International Financial Reporting Standards (IFRS). The Finance Manager confirmed that the Council was making good progress in meeting the statutory deadlines to ensure that the Council's Financial Statements were IFRS compliant.

Reference was made to the adjustments that had been carried out in accordance with the legislation, details of which were set out in the agenda report. In response to questions, the Finance Manager explained the meaning and impact of the adjustments required in respect of the removal of Government grants deferred and in respect of the need to recognise finance leases.

During the ensuing discussion, comment was expressed that the changes in financial reporting to IFRS standards would bring the accounts in line with international regulations. Reference was made by a member to the new accounting system being a useful tool in enabling the Council to compare itself against other organisations. The Finance Manager mentioned that the Department for Communities and Local Government would be collating all local authority accounts, which would form part of the production of information on accounts for the whole public sector including Central Government, Local Government and organisations such as the NHS. The Audit Manager mentioned that information regarding Private Finance Initiatives would also be shown and that there would be more transparency and a better idea of public sector liabilities.

RESOLVED: (1) that the progress being made on implementing statutory changes required in financial reporting under International Financial Reporting Standards be noted;

(2) that the restatement of the 2008/09 and 2009/10 balance sheets be noted.

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

77. Prudential Indicators regarding External Debt (Agenda item 8)

The Principal Accountant – Exchequer summarised the agenda report, which informed members of the review of the Prudential Indicators relating to the Authorised Limit for External Debt (Prudential Indicator 8) and the Operational Boundary for External Debt (Prudential Indicator 9). The Principal Accountant also referred to the reasons for needing to amend the split between borrowing and other long term liabilities, details of which were set out in the agenda report.

It was noted that the Assistant Director (Finance and Corporate Services) had delegated authority, within the total limit for any individual year, to affect movement between the separately agreed limits for borrowing and other long term liabilities. Any movement between these separate limits would, however, need to be reported to the next Council meeting. The Committee was asked to note the details of the amended split.

RESOLVED: that the Committee note the amended split between borrowing and other long term liabilities whilst still maintaining the overall total for the Authorised Limit for External Debt and the Operational Boundary for External Debt, as follows:-

The Authorised Limit for External Debt (Prudential Indicator 8)	
Borrowing	£11,450,000
Other long term liabilities	£550,000
TOTAL	£12,000,000

The Operational Boundary for External Debt (Prudential Indicator 9)	
Borrowing	£9,500,000
Other long term liabilities	£500,000
TOTAL	£10,000,000

*(Karen Gubbins, Principal Accountant – Exchequer – 01935 462456)
(karen.gubbins@southsomerset.gov.uk)*

78. 2010/11 Annual Governance Statement Action Plan (Agenda item 9)

The Assistant Director (Finance and Corporate Services) summarised the agenda report and members reviewed the progress made on the 2010/11 Annual Governance Statement Action Plan.

During the ensuing discussion, a member referred to the Committee having received reports indicating that a good system was being put in place for the monitoring and collection of Section 106 planning contributions. He referred, however, to concerns still being expressed by some members about this issue and hoped that the system would be robust. A member also referred to the interaction with Somerset County Council and the need to ensure the contributions required by them were brought forward. The Assistant Director (Finance and Corporate Services) commented that the Section 106 Monitoring Officer was going back to the original planning documents to see that any Section 106 contributions were properly placed and the monies collected at the appropriate time.

A member referred to the action relating to the provision of training for staff on the Use of Information Technology Policy, which was now complete. A member asked whether similar training could be arranged for members. The Assistant Director (Finance and Corporate Services) reported that such training would be included as part of the induction plan for councillors elected in the May 2011 elections.

The Committee indicated that it was content with the progress made on the 2010/11 Annual Governance Statement action plan.

RESOLVED: that the progress made with the 2010/11 Annual Governance Statement action plan be noted and accepted.

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

79. Date of Next Meeting (Agenda item 10)

Members noted that the next meeting would be held on Thursday, 24th February 2011 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)*

80. Confidential Item

RESOLVED: that the following item (minute 81) be considered in closed session by virtue of Paragraph 3 of Schedule 12A to the Local Government Act 1972, i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information) as it is considered that the public interest in maintaining the exemption from the Access to Information rules outweighs the public interest in disclosing the information.

81. Audit Review – Data and Communication Centre Facilities Management Report (Confidential Agenda item 11)

The ICT Manager summarised the agenda report, which provided members with an update on the actions taken in response to the audit of the Data and Communication Centre by the South West Audit Partnership (SWAP) since this matter was last reported to the Committee at its meeting on the 23rd September 2010.

The ICT Manager then responded to members' questions and comments regarding progress with the action plan, details of which are set out in the confidential minute.

RESOLVED: (1) that the progress made in respect of the Data and Communication Centre Facilities Management Audit Action Plan be noted;

(2) that a further progress report be submitted to the Committee in three months time.

*(Roger Brown, ICT Manager – 01935 462632)
(roger.brown@southsomerset.gov.uk)*

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Chairman