

MEETING AC.02:1112  
DATE 28.07.11

## South Somerset District Council

**Draft Minutes** of a meeting of the **Audit Committee** held in Committee Room 3/4, Council Offices, Brympton Way, Yeovil on **Thursday, 28th July 2011**.

(10.00 a.m. – 10.45 a.m.)

### **Present:**

**Members:** Derek Yeomans (in the Chair)

John Calvert	Ian Martin
John Dyke	Roy Mills
Marcus Fysh	Colin Winder
Tony Lock	

### **Also Present:**

Tim Carroll

### **Officers:**

Donna Parham	Assistant Director (Finance and Corporate Services)
Gary Russ	Procurement and Risk Manager
Garry Green	Property and Engineering Services Manager
Andrew Blackburn	Committee Administrator

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## **15. Minutes (Agenda item 1)**

The minutes of the meeting held on the 23rd June 2011, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

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## **16. Apologies for Absence (Agenda item 2)**

An apology for absence was received from Cllr. John Richardson.

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## **17. Declarations of Interest (Agenda item 3)**

There were no declarations of interest.

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## **18. Public Question Time (Agenda item 4)**

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

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## 19. Car Parks Follow Up – Audit Review of Action Plan (Agenda item 5)

The Engineering and Property Services Manager summarised the agenda report, which updated members on the action taken in response to the Audit Action Plan relating to the car park service, which had received a partial assurance rating following the internal audit review of the service undertaken by the South West Audit Partnership.

The Committee was pleased to note the progress made as outlined in the agenda report and that the recommendations within the Audit Action Plan had now been agreed and implemented. The Committee was content to release the Engineering and Property Services Manager from further reporting.

- RESOLVED:** (1) that the Committee note the progress made as outlined in the agenda report and that the recommendations within the Audit Action Plan had now been agreed and implemented;
- (2) that the Engineering and Property Services Manager be released from further reporting.

*(Garry Green, Engineering and Property Services Manager - 01935 462066)  
(garry.green@southsomerset.gov.uk)*

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## 20. Risk Management Update - Report on recent SWAP Audit, Risk Management (Risk Registers including Major Projects) (Agenda Item 6)

The Procurement and Risk Manager summarised the agenda report, which updated members on the status of the risk management register and of risk management generally across the Council. The report also updated members on the action being taken in response to the Audit Action Plan relating to risk management (risk registers including major projects), which had received a partial assurance rating following the internal audit review undertaken by the South West Audit Partnership.

In referring to the internal audit review, he commented that the outcome was disappointing but felt that it was good that only three actions were required under the Audit Action Plan. He referred to the delays that had been experienced because of the transfer of data in the risk register from the previous system to the TEN performance management based system. He indicated that the transfer of data had now been completed, which had resulted in a better system that would assist in taking risk management forward. He also informed members that the first of several training sessions for officers on risk management and the use of the system had taken place recently.

During the ensuing discussion, the officers responded to members' questions and comments. Points addressed included the following:-

- in response to a question, the Procurement and Risk Manager confirmed that arrangements were to be made for the risk register to be made available to members on the computer in the Members' Room;
- reference was made to the monitoring of risk management in respect of major projects and the Procurement and Risk Manager reported that there was good project management methodology in place and that there was a need to ensure that the processes were applied and managed. The Assistant Director (Finance and Corporate Services) commented that each project had a sponsor, (usually one of the Directors or Assistant Directors) whose role was to review the risks that had been identified to ensure that risk logs and stage reports were signed off. It was

noted that a reminder would be given at the next Corporate Performance Team meeting of the role of a project sponsor in respect of risk. She also indicated that project monitoring reports were submitted to District Executive every quarter, which highlighted the latest position with the project. She also referred to the need to be pragmatic and to focus on the larger projects, which would have a greater impact on the authority. The Procurement and Risk Manager further referred to each project having a project delivery group, which included officers from various disciplines who were able to highlight any problems from their perspective. Reference was also made to the new TEN system having triggers to remind appropriate officers of the need to review risks;

- the Procurement and Risk Manager confirmed that regular updates on significant risks and actions in the risk register were made to Management Board;
- the Committee noted the comments of a member who referred to the importance of members looking carefully at the risk matrices that were included on reports presented to District Executive.

The Committee indicated that they were content with the progress made against the Audit Action Plan and to release the Procurement and Risk Manager from further reporting on that matter.

- RESOLVED:** (1) that the Committee note the report of the Procurement and Risk Manager including the progress made with the remedial work needed to address the weaknesses found by the recent internal audit review of risk management (risk registers including major projects) undertaken by the South West Audit Partnership;
- (2) that the Procurement and Risk Manager be released from further reporting in respect of the Audit Action Plan.

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

## 21. Exemptions from Procurement Procedure Rules (Agenda item 7)

The Procurement and Risk Manager summarised the agenda report, which gave an overview of procurement activity including any exemptions from the Procurement Procedure Rules and advice on procurement processes and procurements where officers needed clarification on procedure and direction.

The Committee was content to note the report.

- RESOLVED:** that the report of the Procurement and Risk Manager giving an overview of procurement activity including exemptions from the Procurement Procedure Rules be noted.

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

## 22. Anti-Money Laundering Policy (Agenda item 8)

The Assistant Director (Finance and Corporate Services) referred to the agenda report and asked members to approve the updated Anti-Money Laundering Policy for the Council, a copy of which was attached to the agenda report. It was noted that the policy had been updated taking into account legislation concerning money laundering including the

Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 and outlined the guidance and procedures to be followed whilst taking into account the assessment of the risk of money laundering in a local authority context. It was further noted that the only changes required were to update the policy to include aspects of the Terrorism Act 2000 and to recognise that breaches were required to be reported to the Serious Organised Crime Agency.

The Chairman queried whether the reference to the Serious Organised Crime Agency was correct as he thought it may have been succeeded by another body. The Assistant Director (Finance and Corporate Services) reported that she understood that the reference was correct but suggested that to cover that eventuality the reference to the Serious Organised Crime Agency within the policy be amended to "Serious Organised Crime Agency or its successor body".

The Committee indicated that it was content to approve the Anti-Money Laundering Policy.

**RESOLVED:** that the Anti-Money Laundering Policy, as attached at pages 12-18 of the agenda, be approved subject to references to the Serious Organised Crime Agency within the policy being amended to read the "Serious Organised Crime Agency or its successor body".

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

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**23. Anti-Bribery Policy (Agenda item 9)**

The Assistant Director (Finance and Corporate Services) referred to the agenda report, which introduced an Anti-Bribery Policy for the Council. It was noted that the Bribery Act was introduced with effect from 1st July 2011 creating the offences of offering or receiving bribes and of failure to prevent a bribe being paid on an organisation's behalf. The policy attached to the agenda gave clear guidance to staff and was closely linked to the Council's other policies and procedures covering fraud and corruption.

The Assistant Director (Finance and Corporate Services) further reported that she would arrange for a leaflet giving guidance to staff on the policy to be produced.

The Committee indicated that it was content to approve the Anti-Bribery Policy.

**RESOLVED:** that the Anti-Bribery Policy as attached at pages 20-22 be approved.

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

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**24. Date of Next Meeting (Agenda item 10)**

Members noted that the next scheduled meeting of the Audit Committee would take place on Thursday, 25th August 2011 in Council Chamber B, Council Offices, Brympton Way, Yeovil at 10.00 a.m.

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

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Chairman