

MEETING AC.02:1213  
DATE 28.06.12

## 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, 28th June 2012.**

(10.00 a.m. – 11.00 a.m.)

### Present:

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

John Calvert	Roy Mills
John Dyke	Terry Mounter (from 10.10 a.m.)
Tony Lock	John Richardson
Ian Martin	Colin Winder

### Also Present:

David Norris

### Officers:

Donna Parham	Assistant Director (Finance and Corporate Services)
Amanda Card	Finance Manager
Karen Gubbins	Principal Accountant - Exchequer
Gary Russ	Procurement and Risk Manager
Andrew Blackburn	Committee Administrator
Anne Herridge	Committee Administrator

## 10. Minutes (Agenda item 1)

The minutes of the meeting held on the 24th May 2012, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

## 11. Apologies for Absence (Agenda item 2)

An apology for absence was received from Cllr. Marcus Fysh and Cllr. Tim Carroll (Portfolio Holder for Finance and Spatial Planning).

## 12. Declarations of Interest (Agenda item 3)

Cllr. John Calvert referred to agenda item 5 regarding the 2011/12 Treasury Management Activity Report and declared a personal interest as his son worked for one of the banks on the counterparty list, which may be used by the Council for specified investments.

## 13. Public Question Time (Agenda item 4)

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

## 14. 2011/12 Treasury Management Activity Report (Agenda item 5)

The Principal Accountant – Exchequer summarised the agenda report and the Committee reviewed the treasury management activity and the performance against the Prudential Indicators for the 2011/12 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Strategy and Annual Investment Policy and Treasury Management Practices.

In referring to the returns on investments for the year compared to the profiled budget, the Principal Accountant remarked that the figures showed a surplus over budget of £219,000. She further indicated that following the crisis in the Eurozone some of the Council's Eurobonds had been sold on the advice of Arlingclose. This had contributed towards the surplus in the last financial year but would also have an effect on this financial year's estimates, which would result in having to draw on the Treasury Management Reserve should there be any shortfall.

The Principal Accountant - Exchequer referred members to the breakdown of investments as at 31st March 2012, which were listed in Appendix A of the agenda. She also circulated to members at the meeting details of the Council's temporary investments as at 28th June 2012.

The Assistant Director (Finance and Corporate Services) and Principal Accountant – Exchequer responded to members' questions and comments on points of detail regarding the treasury management process during which it was noted that the Council was working closely with its advisers, Arlingclose, and that, currently, short dated investments were being used, which gave more flexibility.

Reference was made by a member to the current situation within the financial sector and a general discussion ensued during which the Assistant Director (Finance and Corporate Services) explained the current approach to making investment decisions. The Assistant Director further informed members that the Council's Treasury Management Strategy would be reviewed again in October and a report submitted to the Audit Committee accordingly.

The Chairman congratulated the officers on their performance in managing the Council's investments whilst maintaining a prudent approach.

- RESOLVED:**
- (1) that the treasury management activity for the 2011/12 financial year be noted;
  - (2) that the position of the individual Prudential Indicators for the 2011/12 financial year be noted;
  - (3) that the outlook for the investment performance in 2012/13 be noted;
  - (4) that the 2011/12 Treasury Management Activity Report be recommended to full Council.

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

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## 15. Follow Up Report - Risk Management Update including Partnering (Suppliers, Other Agencies etc.) (Agenda item 6)

The Procurement and Risk Manager updated the Committee on the status and nature of the partnering risks logged on the Council's risk register making particular reference to the processes used for monitoring any risks associated with commercial partners.

The Procurement and Risk Manager gave a presentation during which he showed illustrations of the diagnostic tools available to him to assist in the monitoring process, details of which were referred to in the agenda report. The Committee also noted that further training would be given to staff to help with their understanding of what constituted a contract and its implications.

During the ensuing discussion, the Procurement and Risk Manager responded to members' questions and comments on points of detail regarding the monitoring of risks associated with commercial partners and on contracts and purchasing generally.

The Committee indicated its support for the action being taken by the Procurement and Risk Manager and was content to note the report. Members asked that a further update be submitted at its meeting in September 2012.

- RESOLVED:** (1) that the report of the Procurement and Risk Manager giving an update on the current position with regard to the monitoring of risks associated with commercial partners be noted;
- (2) that a further report on risk management including partnering be submitted at its meeting in September 2012.

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

## 16. Date of Next Meeting (Agenda item 7)

Members noted that the next meeting of the Committee would be held on Thursday, 26th July 2012 at 10.00 a.m. in Council Chamber B, Council Offices, Brympton Way, Yeovil.

**NOTED**

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

[The Chairman referred to Andrew Blackburn, Committee Administrator, who was retiring from the Council after 43 years service. He spoke on behalf of members in thanking him for the support he had given to the Committee and wished him a happy and enjoyable retirement. Andrew thanked members for their good wishes and wished them well in the future.]

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 Chairman