

MEETING AC.05 12:13
DATE 25 Oct 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, 25 October 2012**.

(10.00 a.m. –10.25 a.m.)

Present:

Members:

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| Derek Yeomans | Chairman |
| John Calvert | Roy Mills |
| John Dyke | Colin Winder |
| Ian Martin | |

Also Present:

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| Ian Baker | South West Audit Partnership- Group Audit Manager |
| Andrew Ellins | South West Audit Partnership |
| Peter Lappin | Audit Commission – Audit Manager |

Officers:

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| Donna Parham | Assistant Director Finance & Corporate Services |
| Karen Gubbins | Principal Accountant - Exchequer |
| Anne Herridge | Committee Administrator |

44. Minutes (Agenda item 1)

The minutes of the meeting held on the 27 September 2012, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

45. Apologies for Absence (Agenda item 2)

Apologies for absence were received from Cllrs Tony Lock, Terry Mounter and John Richardson.

46. Declarations of Interest (Agenda item 3)

There were no declarations of interest.

47. Public Question Time (Agenda item 4)

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

48. Annual Audit Letter (Agenda Item 5)

Reference was made to the agenda report, which introduced the Annual Audit Letter for the 2011/12 financial year, a copy of which was attached to the agenda.

The Audit Manager for the Audit Commission attended the meeting in place of Martin Robinson the District Auditor who had signed the SSDC Annual Audit Letter.

He commented that this was a very short, precise paper regarding the completed Annual Audit for SSDC.

The Audit Manager for the Audit Commission, advised committee members that this would be the last Audit Committee meeting he attended for the Audit Commission as Grant Thornton had taken over Audit Commission contracts. He took the opportunity to thank the Audit Committee members for their support in the past.

The Chairman thanked the Audit Manager for the Audit Commission for his help and support and professional manner over the past few years.

The Committee was pleased to note the contents of the Annual Audit Letter.

RESOLVED:

That the contents of the Annual Audit Letter as set out in the report be noted.

Lead Officer: Mark Williams, Chief Executive

Contact Details: Mark.williams@southsomerset.gov.uk (01935) 462101

49. Treasury Management Practices (Agenda Item 6)

The Principal Accountant – Exchequer summarised the agenda report and asked the Committee to approve the Treasury Management Practices and Treasury Management Policy, copies of which were attached to the agenda.

In response to the Chairman's request for clarification on the term 'CHAPs payments' he was advised that it stood for Clearing House Automated Payment System. A system that offers the same day sterling fund transfers.

Having considered the documents, the Committee indicated that it was content to approve the Treasury Management Practices and Policy.

RESOLVED:

1. That the attached Treasury Management Policy (Appendix 1) be approved by Audit Committee members;
2. That the attached Treasury Management Practices (Appendix 2) be approved by Audit Committee members.

Lead Officer: Karen Gubbins, Principal Accountant - Exchequer

Contact Details: karen.gubbins@southsomerset.gov.uk or (01935) 462456

50. Review of Internal Audit Action Plan (Agenda Item 7)

South West Audit Partnership - Group Audit Manager summarised the report. He explained that the Audit Committee had requested regular updates of the status of the SWAP Quality Assessment Improvement Plan (QAIP) therefore the action plan had been attached to the agenda report and indicated actions outstanding.

The Group Audit Manager explained further that the plan was a live document which still had to be developed; there would also be a need for further client/officer meetings.

The Committee was pleased to note the current status of the action plan.

RESOLVED:

That the current status of the Internal Audit Action Plan be noted by Audit Committee.

(Ian Baker, Group Audit Manager 01935 462379)
(ian.baker@southwestaudit.gov.uk)

51. SWAP Governance - The Future

South West Audit Partnership- Group Audit Manager gave a short presentation regarding the future of SWAP Governance which included the following points:

- The current joint committee had originally been set up under Section 101 Local Government Act 1972 under the current arrangements:
 - Each partner had an equal vote;
 - SSDC were the host authority and also the employer;
 - SSDC governance and regulation arrangements applied.
- The current arrangements had proved to be very good and had been a successful partnership, the reasons for change were due to:
 - Now that there were up to 12 partners, major decision making would become more difficult;
 - The rules originated from statute and could not be changed;
 - Host governance rules were not always applicable or appropriate.
- The changes would include:
 - The company would be limited by guarantee;
 - Staff currently employed by SSDC would now be employed by the company;
 - The company would be owned by the 12 partners;
 - After engagement with local partnerships a good model had been agreed ;
 - The structure of the Board was evolving but was still to be determined
 - The company would still be 'not-for-profit' and would be set up to serve the interests of the 12 partners.
- The timetable for change:
 - A members workshop had been held on 10th October at the Haynes Motor Museum regarding the structure and all comments from the day had been taken on board;

- The final proposition would be taken to the partnership board on 8 January 2013;
 - Informal meetings had been held with staff in order to keep them updated and the formal TUPE consultations would be held January to March 2013;
 - Individual partner approval would be sought between January and March 2013
 - The current partnership should be dissolved at the end of March 2013;
 - SWAP should be a company on 1 April 2013.
- There should be no disruption to the service as long as all partners signed up and there was no reduction in available resources the fees to partners would remain as previously agreed.

The Assistant Director Finance & Corporate Services advised that if for any reason the completion of the arrangements were delayed the transaction could occur any time after 1 April 2013.

In response to a question regarding the staff currently in the SSDC staff pension scheme the Assistant Director Finance & Corporate Services replied that no decision had yet been made on whether there would be an open or closed pension scheme but whatever was decided it was likely that all partners would be required to give a guarantee to underwrite the scheme.

The Group Audit Manager explained that the current arrangement where SSDC provided SWAP with office space would remain the same, as would other authorities within the partnership. In response to a members' question he replied that they would remain local authority controlled and therefore not competing for contracts within those authorities but they would continue to provide value for money.

The Audit Manager for the Audit Commission explained that there was not a requirement for the Audit Commission to audit SWAP as there was no necessity to undertake a triennial review.

Members were content to note the details of the presentation.

52. Audit Forward Plan (Agenda item 8)

The report entitled Wincanton Community Sports Centre Audit Action plan would not be presented to Audit Committee in November as all major recommendations made by SWAP had now been addressed.

Goldstones Leisure Centre was included in an annual Audit report to ensure the requirements of the agreement with the Trust were met. By being part of a Trust, savings of approximately £200,000 per year were being achieved.

RESOLVED: that the proposed Audit Committee Forward Plan be noted.

Lead Officer: Anne Herridge, Committee Administrator
Contact Details: anne.herridge@southsomerset.gov.uk

53. Date of the Next Meeting (Agenda Item 10)

Members noted that the next meeting of the Committee would be held on Thursday, 22 November 2012 at 10.00 a.m. in the Main Committee Room, Council Offices, Brympton Way, Yeovil.

NOTED

(Anne Herridge, Committee Administrator – 01935-462570)
(anne.herridge@southsomerset.gov.uk)

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Chairman