



Audit Committee - Thursday 23rd January 2020

Please find attached the draft minutes of the meeting held on 28 November 2019.

Agenda Item 1

South Somerset District Council

Draft Minutes of a meeting of the **Audit Committee** held in the **Council Chamber, Council Offices on Thursday 28 November 2019.**

(10.00 am - 11.05 am)

Present:

Members: Mike Hewitson (in role as Chairman)

Robin Bastable	Malcolm Cavill
Mike Best	Brian Hamilton
Dave Bulmerl	Robin Pailthorpe



Officers

Paul Fitzgerald	Section 151 Officer
Brendan Downes	Specialist (Procurement)
Becky Sanders	Case Officer (Strategy & Commissioning)

Also Present:

Derek Yeomans Independent Member

32. Apologies for absence (Agenda Item 1)

Apologies for absence were received from Councillors Martin Carnell and Paul Maxwell.

33. Declarations of Interest (Agenda Item 2)

There were no declarations of interest.

34. Public question time (Agenda Item 3)

There were no members of the public present at the meeting.

35. Date of next meeting (Agenda Item 4)

Members noted that the next meeting of the Audit Committee was scheduled for 10.00am on Thursday 23 January 2020 in the Council Chamber, Brympton Way, Yeovil.

36. External Audit Progress Report (Agenda Item 5)

The Engagement Manager (Grant Thornton) presented the report as detailed in the agenda and highlighted key points to members.

The Manager and Section 151 Officer responded to queries on points of detail raised by members, and clarified that:

- Auditing costs would be increasing, however the costs likely to be involved were unknown at the current time.
- Having an effective audit function is important and a quality audit was required in order to provide assurance.

At the end of the brief discussion members were content to note the progress report.

RESOLVED: That the External Audit Progress Report be noted.

37. Risk Management Update (Agenda Item 6)

The Specialist (Procurement) summarised the report which presented a revised risk policy and changes to the risk approach. He provided some context to the report and noted the new policy and approach provided improved clarity to managing risk. He clarified that:

- Both strategic risks and project risks would be reviewed.
- Training would be arranged for all members and appropriate staff regarding risk management.

During a short discussion, members made some observations and suggestions about terminology and readability in sections of the draft policy including:

- The font in some of the diagrams was difficult to read.
- Use of the words escalating and de-escalating were confusing terminology in some contexts.
- The acronyms PESTLE and RIDDOR needed expanding or a brief explanatory sentence provided.
- Risks associated with physical health were mentioned in the draft policy but there seemed to be no reference to mental health, and it was suggested this should also be included.
- Monitoring comments for risks need to be understandable to all readers.

In response to the comments made, the Specialist (Procurement) and Section 151 officer acknowledged that workplace stress was something that should feature in the Risk Register and Policy. The Section 151 Officer suggested that if the table titled 'Risk Impact Key' (page 41 of the agenda) referred to both physical and mental health it would address the concerns raised, and this was agreed.

At the end of discussion, members were content to approve changes to the risk approach.

RESOLVED: It was resolved that Audit Committee:

1. Reviewed and commented on the draft Risk Management Policy.
2. Approved changes to the risk approach.
3. Commented on the new framework and approach to measure and monitor risks.

(Voting: Unanimous in favour)

38. Local Code of Corporate Governance (Agenda Item 7)

The Section 151 Officer summarised the report which presented a new Local Code of Corporate Governance for the authority. He provided a brief overview of the background to the Code, and highlighted key elements of the report including areas of good practice. He noted that if the Code was approved, it would then need to be rolled out to all staff, and the method of how best to do that had yet to be considered.

During discussion, the Section 151 Officer responded to points of detail, and some of his responses included:

- There would be shared responsibility, depending on the aspect, for ensuring that the authority is complying with the Code.
- Training on the Code could be part of the member induction programme in the future. The Code would also be available via the members portal and the public website.
- Income from commercial investments was reported via quarterly finance reporting and the annual budget.
- Commercial investments were monitored by the Commercial Property, Land & Development Manager and members of his team.
- Details of the Minimum Revenue Provision (MRP) had been reported in September.

Some members felt there needed to be clarification about how action would be taken if the authority didn't live up to or deliver an element of the Code. There were also general comments raised about the reporting for commercial investments, and the Section 151 Officer noted he would feed back the concerns raised to the appropriate officers.

Following the end of discussion, members were content to approve the new Local Code of Corporate Governance, and to delegate authority to the Section 151 Officer to make minor changes to the Code.

- RESOLVED:** That Audit Committee:
- a) Approved the new Local Code of Corporate Governance.
 - b) Agreed delegated authority to the Section 151 Officer to make minor changes to the Local Code of Corporate Governance such as revisions to job titles or key document names.

(Voting: Unanimous in favour)

39. Audit Committee Forward Plan (Agenda Item 8)

There was no discussion, and members were content to note the Audit Committee Forward Plan.

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Chairman

Following close of the meeting, on behalf of the Audit Committee, the Chairman conveyed best wishes for the future to the Section 151 Officer, and thanked him for his dedicated service and professional advice.