

## South Somerset District Council

**Minutes** of a meeting of the **Audit Committee** held at the **Main Committee Room, Council Offices, Brympton Way, Yeovil BA20 2HT on Thursday 23 October 2014.**

(10.00 - 10.45 am)

**Present:**

**Members:** Councillor Derek Yeomans (Chairman)

John Calvert	Terry Mounter
John Dyke	David Norris
Ian Martin	Colin Winder
Roy Mills	

**Officers**

Donna Parham	Assistant Director (Finance & Corporate Services)
Angela Cox	Democratic Services Manager
Karen Gubbins	Principal Accountant (Exchequer)

**Also Present:**

Andrew Ellins	South West Audit Partnership
Peter Lappin	Grant Thornton

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**33. Minutes (Agenda Item 1)**

The minutes of the meeting held on 29th September 2014, 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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**34. Apologies for absence (Agenda Item 2)**

Apologies for absence were received from Councillors Tony Lock and John Richardson.

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**35. Declarations of Interest (Agenda Item 3)**

There were no declarations of interest.

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**36. Public question time (Agenda Item 4)**

There were no members of the public present.

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**37. Date of the Next Audit Committee Meeting (Agenda Item 5)**

Members noted that the next scheduled meeting of the Audit Committee would be held on Thursday 27<sup>th</sup> November 2014.

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### **38. 2014/15 SWAP Internal Audit Quarter 2 Update Report. (Agenda Item 6)**

The Audit Manager, South West Audit Partnership, introduced the report and drew Members attention to the two operational audits which had received a partial assurance. He advised that the Streetscene Enforcement audit had occurred during the period when part of the service was transferring to the Environmental Health service and so some policies and strategies required updating and also some staff training was required. He expected that the necessary improvements would be in place at the six-month review.

The Printing and Design audit findings related mainly to service cost and value for money. An external company was used for design work and was often subsequently used to print when it was cheaper to print in-house. A new procedure was in place and the external design contractor had agreed to refer any printing requests to the SSDC print service.

The Audit Manager advised that key finance audits were in progress and Treasury Management would be looked at as a high risk area. He concluded that they envisaged completing the Audit Plan by the end of the year.

In response to questions from Members, the Audit Manager and the Assistant Director (Finance and Corporate Services) advised that:-

- The Environmental Health Manager would be invited to attend Audit Committee when the six-month review of the new Environmental Health Enforcement Service was presented.
- Somerset County Council could be a potential printing service customer when they moved to the Brympton Way offices.
- Discussions had taken place with Yeovil College around shared printing services.

At the conclusion of the debate the Chairman was pleased to note the substantial assurances given to financial services and Members were content to note the report.

**RESOLVED:** that the progress on the 2014/15 Annual Internal Audit Plan be noted.

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### **39. The Annual Audit Letter for SSDC (Agenda Item 7)**

The Director, Grant Thornton, advised that although they had issued an unqualified opinion on the Councils Statement of Accounts on 29<sup>th</sup> September, they had since received an objection to the accounts. Three further objections had been received around the re-negotiation of Section 106 planning obligations. Consequently, the certificate closing the audit would be delayed until the objections were settled. In response to a question, he agreed to provide the Assistant Director (Finance and Corporate Services) with the on-going costs of the objections.

He also drew Members attention to the audit fees which had increased by £900 due to additional work on business rates balances, although he said the overall audit fees had reduced. He concluded by noting the key issues and recommendations in Appendix A which had been brought to the Committees attention the previous month.

The Assistant Director (Finance and Corporate Services) advised that:-

- following the recommendations outlined the previous month, a report would be brought to District Executive requesting 4 additional staff to assist in preventative recovery work to improve the Council Tax collection rate.
- Universal Credit would be phased in from February 2015 and although this would impact on the Council's Benefit Section, staff were working with Yarlinton Homes to signpost those people who would be affected to the correct assistance.

During discussion, Members requested a short information leaflet explaining the impact of Universal Credit to assist them in their ward work.

The Chairman confirmed the Committees support of additional staff to improve the Council Tax collection rate and at the conclusion of the debate, Members were content to note the contents of the Annual Audit Letter.

**RESOLVED:** that the contents of the Annual Audit Letter be noted.

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#### **40. Exemptions from Procurement Procedure Rules. (Agenda Item 8)**

The Assistant Director (Finance and Corporate Services) advised that the report was presented at the request of the Committee and detailed the exemptions allowed from the Procurement Procedure Rules. She answered Members questions on points relating to the exemptions listed in the report.

During discussion, Members felt that the procurement criteria listed was subjective and open to interpretation by individual officers. It was suggested that the criteria be amended to allow the Procurement Manager to carry out spot checks on contracts and procured goods.

At the conclusion of the debate, Members were content to note the report.

**RESOLVED:** that the exemptions from the Procurement Procedure Rules report be noted.

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#### **41. Audit Committee Forward Plan (Agenda Item 9)**

Members reviewed the Audit Committee Forward Plan and were content to note the contents.

At the conclusion of the meeting, the Principal Accountant – Exchequer, provided the Committee with a short presentation on the changes to Treasury Management, Bail-in and its impact on SSDC investments.

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Chairman