

South Somerset District Council

Minutes of a meeting of the **Audit Committee** held in the **Virtual Meeting using Zoom meeting software on Thursday 25 March 2021.**

(10.00am – 11.30am)

Present:

Members: Councillor Martin Carnell (Chairman)

Robin Bastable
Mike Best
Dave Bulmer
Brian Hamilton

Mike Hewitson
Tim Kerley
Colin Winder



Officers

Nicola Hix	Director (Strategy and Support Services)
Kirsty Larkins	Director (Service Delivery)
Jill Byron	Monitoring Officer
Karen Watling	Interim Section 151 Officer
Peter Paddon	Lead Specialist (Strategic Planning / Economy)
Paul Matravers	Lead Specialist (Finance)
Karen Case	Specialist, Revenues
Alastair Woodland	Assistant Director, SWAP
Michelle Mainwaring	Case Officer (Strategy & Support Services)
Jo Morris	Case Officer (Strategy & Support Services)

Also Present:

Barrie Morris	Key Audit Partner, Grant Thornton
Beth Garner	Manager, Grant Thornton
Derek Yeoman	Independent Member

101. Minutes (Agenda Item 1)

The minutes of the previous meeting held on December 22nd 2020 were approved as a correct record, and would be signed by the Chairman.

102. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Councillors Jeny Snell, Paul Maxwell and Malcolm Cavill. Colin Winder was a substitute for Malcolm Cavill.

103. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

104. Public question time (Agenda Item 4)

No members of the public were present at the meeting.

105. Date of next meeting (Agenda Item 5)

Members noted the next meeting of the Audit Committee was scheduled for the 27th May 2021 at 10:00am.

106. External Audit - Annual Audit Letter (Agenda Item 6)

Barry Morris (Key Audit Partner, Grant Thornton) presented the report and explained that it was a summary of everything already reported to the Committee in the Audit Findings Report. There was nothing new, except for an update to the Audit Fees which was set out on pages 20 & 21. There were additional costs due to working remotely, engaging an Auditors expert and additional work around the group accounts.

He responded to a question raised by a Member about why the differential on the floor area occurred, and explained the reasons why there was further work and testing required to ensure the valuations were appropriate.

The Manager (Grant Thornton) responded to a query regarding the Group plan equipment error and explained that a piece of equipment had been purchased in 18/19 but the group company had accounted for it in 19/20 instead, the figures were adjusted to correct this.

There were no further questions and Members noted the report.

RESOLVED: That the report and the content of the Annual Audit Letter be noted.

107. External Audit - Certification of Housing Benefit Subsidy Claim (Agenda Item 7)

Beth Garner (Manager, Grant Thornton) presented the report on the Certification of the Housing Benefit Subsidy Claim. There was a summary report at the beginning that highlighted some of the different areas that were looked into further in the report. Page 28 highlighted the key areas of testing and she explained the additional testing that was required. She continued to highlight key points of detail within the report to Members.

Barrie Morris (Key Audit partner, Grant Thornton) explained why some of the figures were very small amounts within the detailed report.

In response to a Members query, The Manager, (Grant Thornton) explained the brackets in the report showed a downward movement.

The Director, Service Delivery explained that additional checks would be embedded within the team to try to minimise the number of mistakes that are made, and identify common mistakes and give additional training.

There were no further questions and Members were content to note the report.

RESOLVED: That Audit committee noted the contents of the Certification of the Housing Benefit Subsidy Claim report.

108. External Audit - Informing the Risk Assessment 2020/21 (Agenda Item 8)

The Lead Specialist - Finance introduced the report to Members and explained how the finance team respond to Grant Thornton informing them of how the information and requests within the report are dealt with.

The Manager (Grant Thornton) gave the background of the report and explained how it's used. She explained the larger than usual number of questions on estimates this year and highlighted the importance of Audit Members having an oversight and an understanding of this.

One Member raised a question about the impact of home working on officers. The Director, Service Delivery explained all the things that have been put in place for officers working from home to support them physically and mentally, until the time comes when Covid19 rules will allow officers who may be struggling to start coming back into the office. A long term plan is being worked on for future office working.

The Lead Specialist - Finance responded to a Members query regarding phishing fraud and explained that processes were in place to check the correct bank details, and that further training had been given to officers along with additional measures to ensure that any requested changes were correct.

The Director, Strategy and Support Services responded to questions from Members and gave some of the following responses:

- Another wellbeing survey was due, and that the information was going to be collated and brought to Committee at the next meeting.
- The current legislation that allows the emergency decisions and delegation process to be in place was coming to an end on the 6th May and that a review was underway.
- Training for Audit Members was being tasked to officers. Delays had occurred due to many of the Strategy and Commissioning officers supporting the vaccination programme.
- Agency or short term workers have the relevant checks to find out if they are inside or outside IR35, this is a process that is already in place and is not new.

There were no further questions and Members were content with the answers of management.

RESOLVED: The Audit Committee reviewed the management responses to the questions ensuring that they are consistent with the committees understanding, and noted the report.

109. Internal Audit Plan Progress Report 2020/21 - Q3 (Agenda Item 9)

Alastair Woodland, Assistant Director (South West Audit Partnership) presented the report and introduced the audit plan progress. He reminded Members that as the January Audit meeting had been cancelled, an update had been circulated to all Audit Members and that this information was also included in this report. He highlighted points of detail within the report including;

- The homelessness review and why it was given limited assurance.
- Cyber Security review findings, that all Members had an update outside of the public meeting due to the nature of the review.
- The overview of the progress of the audit plan.
- Changes to the plan where the Covid19 support meant some reviews were now later in the year.

In response to Member's questions, The Assistant Director (SWAP) gave some the following comments:

- Reviews given no or limited assurance are followed up to give assurance back to Committee and Senior management.
- There would be a review of Council Baseline assessment of maturity of fraud so that Members to have an understanding of what is in place.
- Verbal assurance had been given by Directors on the implementation of the Regeneration project recommendations.
- The phosphates issue was a line item in the plan for next year as it was identified as a risk.

The Director, Service Delivery confirmed to Members that she was aware of the homelessness software trial conducted in Croydon and the housing team would be looking to take forward a preventative approach to homelessness.

There were no further questions and Members were content to Note the report.

RESOLVED: Members noted the progress made in delivery of the 2020/21 internal audit plan.

110. Internal Audit Plan and Charter 2021/22 (Agenda Item 10)

Alastair Woodland, Assistant Director (South West Audit Partnership) presented the report that introduced the Internal Audit Plan for 2021/22. He highlighted the key questions that Audit Members should consider when looking for approval. The role of the Audit Committee was to give assurance to Full Council in terms of matters of governance, risk and control. Other points of detail were highlighted, including:

- The overview of key things that should be on the audit plan, which is a collaborative approach.
- The alignment of the audit plan against the corporate priorities. Not everything can be covered in one year.
- The plan is reviewed on a quarterly basis with SLT and would be looking to include Audit Committee in this review process going forward, also to give access to the rolling plan to Members.

- Q1 was still heavily looking at Covid19 related work.
- Q2 included the Phosphates and Chard regeneration work.
- Q3 looks at the key financial work and the review on commercial investments.
- Q4 wider review of commercial investments due to its high profile.

In response to question from Members, The Assistant Director (SWAP) gave some of the following comments:

- Not everything can be covered every year, work on performance management had been completed in the last 12-18 months.
- Looking towards officers and Members having real time access to relevant information.

There were no further questions and it was proposed and agreed unanimously to approve the Internal Audit plan and audit charter 2021/22.

RESOLVED: That the Audit Committee:

1. approved the Internal Audit Plan for 2021/22
2. approved the Internal Audit Charter

(Voting: Unanimous)

111. Revenues & Benefits Update Report (Agenda Item 11)

The Lead Specialist, Economy presented the report which provided members with an update on the progress made following the Internal Audit of Council Tax and National Non domestic rates in 2019/20.

Due to Covid19, the action points had to be prioritised and half of the actions had been completed. The remaining four were a work in progress. Extra support had been brought into the team on an interim basis to support the workload and all have worked extremely hard to focus on the vulnerable customers within council tax and businesses.

There was no discussion and members noted the report.

RESOLVED: Members noted the progress made in the delivery of the recommendations of the SWAP Council Tax & NNDR Audit Report 2019/20.

112. Health and Safety Update (Agenda Item 12)

The Lead Specialist, Strategic Planning presented the report which provided members with an update on the strategic Health and Safety situation. There had not been any previous years' data collated last year but this had now been addressed. Data is collated quarterly and reported to the steering group. The accident forms had been redesigned with follow-up to put systems in place to prevent further accidents.

A Health and Safety Maturity assessment was completed by Zurich and the 6 recommended areas were being put into an action plan. An external specialist consultancy was being brought in to work with SSDC to ensure improvements.

During a brief discussion with Members, The Lead Specialist, Economy gave the following responses:

- Written responses would be sent to the chair regarding further details of the needle injuries.
- The Working group and Steering group work with the Team leads to ensure that information is regularly shared with officers and Risk assessments are kept up to date.

The Director, Service Delivery assured members that the particular incident relating to Ham Hill was reported to the police, as would any similar incidents of a criminal nature.

There were no further questions, and Members were content to note the report.

RESOLVED: That the Committee noted the current update on health and safety as detailed in the report.

113. Civil Contingencies and Whistleblowing Update (Agenda Item 13)

The Lead Specialist, Strategic Planning presented the report which provided members with an annual update on strategic civil contingencies issues. He explained to Members that this report was not focussed on Covid19 as the GOLD team managed this with quarterly updates to SLT. SSDC worked with Somerset partners and SSDC provided 24/7 response cover by officers. Refresher training was ongoing to ensure those operational officers were prepared. There had been no calls to major incidents in the last year where SSDC were asked to support.

He noted that with whistleblowing, there had been no recorded instances in 2020. A policy was in place and we now had a new monitoring officer. The policy would be reviewed and refreshed this year if required.

In response to a Member's question, the Lead Specialist, Strategic Planning informed Members that an incident training session had happened just over a year ago and another one was due when it was safe to do so.

The Director, Strategy and Support Services updated that some officers had received virtual training with the civil contingencies unit at Somerset County and that wider training would be planned in when next possible.

There was no further discussion, and Members were content to note the report.

RESOLVED: That Audit Committee noted the contents of the report.

114. Audit Committee Forward Plan (Agenda Item 14)

The Lead Specialist, Finance (Deputy S151 Officer) explained that the finance audit was starting in early July, so would be looking to move the following reports currently on the forward plan for July, to September:

- Annual Governance Statement
- External Audit Findings Report
- Approval of the Annual Statement of Accounts

One Member asked if the Cyber Security update could be a regular item. The Director of Strategy and Support Services highlighted the sensitive nature of this item being in the public domain, but would look into how it could be presented to committee and whether a regular update could be given outside of the meeting.

There were no other comments and members were happy to note the report.

RESOLVED: That Audit Committee noted the report.

At the end of the meeting, The Chairman welcomed Councillor Tim Kerley to the committee and also thanked Councillor Robin Pailthorpe for his time and contribution on the Audit Committee.

Members also thanked Jo Nacey for her contributions as the S151 officer.

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Chairman