

South Somerset District Council

Draft Minutes of a meeting of the **Audit Committee** held in the **Main Committee Room, Council Offices, Brympton Way on Thursday 24 October 2019.**

(10.00 am - 11.10 am)

Present:

Members: Councillor Martin Carnell (Chairman)

Mike Best
Dave Bulmer
Malcolm Cavill

Brian Hamilton
Robin Pailthorpe



Officers:

Paul Fitzgerald
Alastair Woodland
Vicki Dawson
Tim Cook
Paul Matravers
Becky Sanders

Section 151 Officer
Assistant Director, SWAP
Lead Specialist (Environmental Health)
Locality Team Manager
Specialist - Finance
Case Officer (Strategy & Commissioning)

Also Present:

Derek Yeomans Independent Member

21. Minutes (Agenda Item 1)

The Chairman advised members of a typo in the last sentence of minute 13 regarding apologies for absence at the last meeting. He noted that the minutes should indicate that Cllr Paul Maxwell took the position of Vice Chairman for the last meeting and not Cllr Mike Hewitson who had been absent.

Subject to making the amendment to minute 13, the minutes were agreed as a correct record and signed by the Chairman.

22. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Councillors Robin Bastable, Mike Hewitson and Paul Maxwell.

23. Welcome to the new Independent Member on the Audit Committee (Agenda Item 3)

The Chairman gave a warm welcome to Derek Yeomans, who had been appointed as the Independent Member to Audit Committee.

24. Declarations of Interest (Agenda Item 4)

There were no declarations of interest.

25. Public question time (Agenda Item 5)

There were no members of public present at the meeting.

26. Date of next meeting (Agenda Item 6)

Members noted that the next meeting of the Audit Committee was scheduled for 10.00am on Thursday 28 November 2019 in the Council Chamber, Brympton Way, Yeovil (and not the Main Committee Room as previously advised).

27. Internal Audit Annual Activity Report 2019/20 (Agenda Item 7)

The Assistant Director (SWAP) presented the report and explained that it was a standard and regular report that updated members on the progress of the Internal Audit Plan 2019/20. The report aimed to provide assurance to the Audit Committee regarding the effectiveness of the control environment operated by and on behalf of the Council, and to highlight any significant matters to be addressed by management.

He highlighted the Summary of Significant Audit Findings detailed in appendix C, and also the approved changes to the Internal Audit Plan with rescheduling of some reviews as detailed in appendix B. Regarding the review for SSDC Opium Power Ltd, he noted that concerns had been addressed, some lessons had been learned, but overall the project had been well managed in the end and risks mitigated. SWAP were of the view that some actions were still required before sign-off regarding the review of Lone Working.

Members were informed that the review of Transformation was now scheduled for quarter 1 in 2020/21 and would be split into two stages, both of which would be reported to the Audit Committee.

During discussion, members raised several comments regarding the review of Lone Working. The Lead Specialist (Environmental Health) and Locality Team Manager responded to points of detail and noted there had been further progress since the report had been written. Some of their comments included:

- Skyguard lone worker devices or mobile app had been rolled out to appropriate staff across the organisation. Devices were able to be shared.
- An overview of Skyguard and the options available including 'man down' function. Skyguard had a tracking function but also enabled people to listen in and talk to the member of staff.
- Regarding responses to any major lone working issue there were tactical procedures in place at a management level.
- Work had progressed regarding the dangerous persons register, and work was overseen by the Health & Safety Working Group.

- Work was being undertaken regarding risk assessments for lone working. The main assessments were around staff visiting sites and working at home. The aim was to try to get consistency across the organisation, and it was hoped the process would be signed off by the end of the calendar year.

The Chairman and some other members suggested that there were similar dangerous persons registers and lone working risk assessments held by other organisations such as the police, and suggested there could be an opportunity for information sharing. Members also suggested there was a need to monitor the uptake of use of Skyguard, in order to assess how many staff were lone working and not using it.

There being no further questions, members were content to note the report, and thanked the officers for attending the meeting to answer questions.

RESOLVED: That the progress made in delivery of the 2019/20 internal audit plan, and the significant findings that have been identified since the previous update in June 2019, be noted.

28. External Audit - Annual Audit Letter (Agenda Item 8)

Barrie Morris (Key Audit Partner at Grant Thornton), presented the report and noted there was no new information within it, and all information had been presented to Audit Committee via various previous reports throughout the past year. He confirmed that certification of the Council's Housing Benefit subsidy claim was on schedule to be completed by the end of November.

There were no questions raised, and members were content to note the report and Annual Audit Letter.

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

29. 2019/20 Treasury Management Mid-Year Performance Report and Strategy Update (Agenda Item 9)

The Specialist (Finance) introduced the report that presented the Council's 2019/20 mid-year treasury management performance, and sought support of the Audit Committee for updates to the Treasury Management Strategy for the remainder of the financial year.

He noted some key updates including regulatory changes that affected pooled fund investments, and provided an overview and highlighted the impact of the changes. Other key elements of the report were highlighted to members including the treasury management position, external borrowing, and appendices 1A, 1B and 1C.

The Specialist (Finance) and Section 151 Officer responded to points of detail raised during discussion and a few of their comments included:

- Interest payments on loans was not included within the report but would be detailed in the budget outturn report. Acknowledge the comment made and officers would look to include information with future reports.

- Pooled fund investments were held as a portfolio to balance the ups and downs in the market and to balance risks etc. A reduction in value only really became an issue when looking to sell an investment.
- Dividends from the pooled fund investments were received as income monthly or quarterly. Advice was taken from the Council's advisers regarding volatility, and the funds currently held was a mixed portfolio of risks so some had higher risks than others.
- Further information about the Minimum Revenue Position
- Investments in the report indicated as *covered* were in basic terms secured investments. Officers would circulate to members the exact wording for the financial terminology of 'covered'.
- Part of the internal audit function was to look and form an opinion about the financial resilience of the authority, whereas financial arrangements were considered by the external audit function.

At the end of discussion members were content to note the treasury performance and endorse the updated Treasury Management Strategy for recommendation to Council.

RESOLVED: That the actual and forecast treasury performance be noted, and the updated Treasury Management Strategy be endorsed for recommendation to Council.

30. Treasury Management Practices (Agenda Item 10)

The Specialist (Finance) presented the routine report as detailed in the agenda, and noted the practices were reviewed each year. There were only a few changes required and these were summarised at paragraph 7 in the report.

There was no discussion and members were content to approve the updated Treasury Management Practices.

RESOLVED: That the Treasury Management Practices included in the agenda report be approved.

31. Audit Committee Forward Plan (Agenda Item 11)

Alastair Woodland (SWAP) noted that Internal Audit Plan for 2020/21 and the Internal Audit Charter would come forward to a future meeting as a single item rather than separate reports.

Members were content to note the Audit Committee Forward Plan.

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Chairman

