

AUDIT COMMITTEE

Minutes of a Meeting of the Audit Committee held in the Luttrell Room - County Hall, Taunton, on Thursday 30 March 2017 at 10.00 am

Present: Cllr D Hill (Chairman), Cllr S Coles, Cllr S Crabb, Cllr A Dimmick, Cllr J Edney, Cllr D Yeomans, Cllr M Rigby and Cllr J Woodman

Other Members present: Cllr H Davies (for items 6 – 12)

Apologies for absence: Cllr D Ruddle and Cllr M Healey

231 Declarations of Interest - Agenda Item 2

Members of the Audit Committee declared the following personal interests in their capacity as a Member of a District, City/Town or Parish Council:

Cllr S Coles	Taunton Deane District Council
Cllr S Crabb	Marston Magna Parish Council
Cllr H Davies	West Somerset District Council
Cllr D Hill	Sedgemoor District Council

Cllr Dawn Hill further declared her membership of the South West Audit Partnership.

Cllr Simon Coles further declared his membership of the Devon and Somerset Fire Authority.

Cllr Sam Crabb further declared he was a Governor of Stanchester Academy, and was the Chairman of the Management Committee of the South Somerset Partnership School.

Cllr John Edney further declared he was in receipt of a Council pension.

Cllr John Woodman further declared his membership of the Devon and Somerset Fire Authority.

232 Minutes from the meeting held on 26 January 2017 - Agenda Item 3

The Committee agreed that the minutes of the meeting held on 26 January 2017 were accurate and the Chairman signed them.

233 Public Question Time - Agenda Item 4

There were no members of the public present.

234 External Audit Update - Agenda Item 5

The Committee considered this report that was introduced by the Engagement Manager – Grant Thornton who began by providing a summary of the report, noting: key developments including on-going austerity measures; the earlier production of the Council's financial statements; and significant risks including highlighting the change of the SAP system supplier.

The Committee were further informed of the criteria used when producing the value for money conclusion, which are informed decision making, sustainable resource deployment and working with partners and other third parties. Additionally it was highlighted that External Audit continues to monitor the Children's Services OFSTED rating.

Members discussed: the use of reserves; timescales for producing the Council's financial statements, and the potential for statements to be produced sooner; carrying the Q3 overspend into Q4; the Learning Disability Provider Service (LDPS) transfer, and resulting implications for staff; the option to borrow money from school reserves; the themed approach to the 2017/18 MTFP; and the scale of the audit fee.

The Director of Finance and Performance informed the Committee of the re-prioritisation of funding to support the in year position, that the LDPS transfer was proceeding as planned, that if the Council's quarterly budget accounts were produced sooner, this would result in a reduced level of accuracy; that any budget decisions would be published in accordance with the Council's standard process; there were currently no plans to borrow money from school reserves; and that the change of SAP system supplier had been successful.

Cllr Rigby requested that a summary of all 2017/18 budget decisions taken to date be provided to him and it was agreed that this would be copied to all Members of the Committee.

The Audit Manager informed the Committee of the other useful information sources highlighted in the report, including the publication titled 'Income Spectrum'.

Members proceed to discuss: highways network asset valuation; changes to the Council's Pension Fund, and the 'UK GB Wealth Fund'; the importance of income generation; and the removal of elected Members entitlement to join the Local Government Pension Scheme.

The Director of Finance and Performance undertook to provide the Committee with an update on changes to the Council's Pension Fund.

The Committee accepted the report.

235 **Internal Audit Update and Healthy Organisation Report - Agenda Item 6**

The Committee considered this report that summarised the work completed since the last meeting by the Internal Auditors in delivering the 2016/17 Audit Plan. The Assistant Director – SWAP highlighted the summary of partial opinion audits as detailed in the report, and the Strategic Manager – Financial Governance informed Members that the new partial assurance audits detailed in the report would be brought to the June meeting of the Audit Committee for consideration.

Members discussed the follow-up audit for Section 106 agreements. Officers provided reassurance that the implementation of a new IT system was on-

going, and highlighted that the Council has a duty to collect the correct level of income.

The Assistant Director – SWAP introduced the Healthy Organisation Report, noting that the Council received an overall assurance rating of medium.

The Committee proceeded to discuss the report and requested the Assistant Director – SWAP establish if any Local Authorities had received any 'red' assurance ratings.

Members proceeded to discuss the Healthy Organisation Report, questioning: the Council's assurance rating for Commissioning and Procurement; the implementation of the Dimensions Contract; and the importance of considering the potential impacts of the themes rated in the report.

The Chief Executive highlighted that: the report showed areas of good work and areas where improvement is needed; the need to strengthen contract and category management; and the importance of benchmarking against other Local Authorities.

The Director of Finance and Performance noted the importance of the report being considered alongside all other audit work.

The Committee accepted the report.

236 **Internal Audit Plan 2017/18 and Charter - Agenda Item 7**

The Committee heard from Mr Orr, a Somerset resident, who presented a statement suggesting that SWAP adopt a proactive role when large contracts are let or re-let. Mr Orr suggested that SWAP audits large contracts before or early in the service transfer process, and put forward a suggested checklist for any SWAP pre-contract audit.

The Strategic Manager – Financial Governance responded to the points raised by Mr Orr, noting the on-going review of the Council's Contract Standing Orders, and the inclusion of pre-procurement guidance.

The Strategic Manager introduced the report and noted that: it was best practice was for the Committee to approve the Internal Audit Plan and Charter; the reduction in the number of Audit days from 1533 to 1400; the reinstatement of the Early Years audit days; and the loss of audit days due to the non-response of officers. The Strategic Manager further thanked Internal Audit for their work.

Members accepted the report.

237 **Partial Assurance Audit - Corporate Health and Safety Premises Management - Agenda Item 8**

The Committee considered and discussed this report about Corporate Premises Health and Safety Management, with answers being provided by the Director of HR & OD, the Head of Property and the Principal Safety Officer.

The Committee were informed of work to date and key actions were highlighted including: the completion of shared use agreements; Core Brief articles reminding staff to include Health and Safety as an agenda item; the use of the RAMIS system; future use of the Learning Centre for training purposes; and updating the corporate Health and Safety Policy.

Members asked a number of questions including: the ultimate responsibility for non-compliance with Health and Safety guidance and legislation; the importance of accurate recording keeping and evidence that checks have been completed; the requirement for legionella testing training; testing schedules and timescales; local Member involvement; the importance of spot checks; ensuring the RAMIS system can highlight those establishments which have not completed the required checks; and the Council's whistleblowing policy.

Members requested that a letter is sent to all premises managers immediately to request that checks are completed and should be recorded on the RAMIS system. Members further request this letter is copied to all Head Teacher and Chairs of Governors. The Director of HR and OD accepted this as an action, but noted the letter may need to come from the Council's Chief Executive.

Members requested that a Health and Safety reminder is included in the next edition of the Governor Services magazine. The Director of HR and OD noted that he would need to link with colleagues in SSE to ensure the completion of this action.

Members further discussed the use of a bar code or coloured tagging system to show that checks have been completed;

Members further requested the following actions be completed:

- The Audit report is highlighted to the Council's Health and Safety Policy Steering Group.
- A process is put in place for spot checks of establishments to ensure that relevant checks have been completed.
- Officers ensure Governors complete appropriate Health and Safety training.
- Officers should highlight the Council's whistleblowing policy, with particular reference to H&S concerns.

238 Partial Assurance Audit - Early Years - Agenda Item 9

The Committee considered and discussed this report about Early Years Entitlement Claims, with answers being provided by the Service Manager – Early Years Commissioning. Members were informed of the criteria for early years entitlement, and of the number of providers in the County.

The Committee were informed of work to date and key actions were highlighted including: errors in providers fee policies; checking fee policy compliance; ensuring providers are accountable; and sanctions for non-compliance.

Member discussion included: capacity to provide childcare when entitlement increases to 30 hours; splitting entitlement across two or more providers; the disability access fund; and e-learning.

The Chairman thanked the Service Manager, and the Committee noted the report.

239 Service Spotlight - Travel Plans - Agenda Item 10

The Committee considered and discussed this report about Travel Plans, with answers being provided by the Interim Director of Economic and Community Infrastructure Operations and the Service Manager – Planning Liaison and Estate Roads.

Members were informed: officers were happy to provide details of any specific schemes on request; and changes to the National Planning Policy Framework, including the presumption in favour of development.

Member discussion included: working with developers; enforcement of non-compliance; and training district planning committees.

The Committee accepted the report.

240 Annual Report to Council - Agenda Item 11

The Strategic Manager – Financial Governance introduced the report, noting that the Committee had met 8 times during the year.

The Committee accepted the report.

The Chairman thanked the Members of the Committee for all their work over the quadrennium. The Director of Finance and Performance, and individual Members of the Committee thanked the Chairman for her work.

241 Any other urgent items of business - Agenda Item 12

There were no other items of business.

(The meeting ended at 13.48)

CHAIRMAN