

## 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 24 March 2016.**

(10.00 am - 10.50 am)

### **Present:**

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

Jason Baker	Tony Lock
Mike Beech	Graham Middleton
Mike Best	David Norris
Carol Goodall	

### **Officers**

Donna Parham	Assistant Director (Finance & Corporate Services)
Karen Gubbins	Principal Accountant (Exchequer)
Jack Chant	Fraud and Data Intern
Lynda Creek	Fraud and Data Manager
Gary Russ	Procurement and Risk Manager
Jo Morris	Democratic Services Officer

### **Also Present:**

Moya Moore	Assistant Director, South West Audit Partnership
David Johnson	Audit Manager, Grant Thornton
Nick Hammacott	Investigations Manager, South West Counter Fraud Partnership

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### **67. Minutes (Agenda Item 1)**

The minutes of the meeting held on 25<sup>th</sup> February 2016 were approved as a correct record and signed by the Chairman.

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### **68. Apologies for absence (Agenda Item 2)**

Apologies for absence were received from Councillors Val Keitch and Colin Winder.

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### **69. Declarations of Interest (Agenda Item 3)**

There were no declarations of interest.

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### **70. Public question time (Agenda Item 4)**

There were no members of public at the meeting.

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## 71. Date of next meeting (Agenda Item 5)

Members noted the next meeting of the Audit Committee was scheduled for 10.00am on Thursday 28<sup>th</sup> April 201 in the Coker Room, Brympton Way, Yeovil.

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## 72. Grant Thornton Audit Committee Update for SSSC (Agenda Item 6)

David Johnson, Audit Manager at Grant Thornton, presented the progress report and emerging issues from Grant Thornton the external auditors for SSSC. He referred to progress to date and highlighted the following points:

- The 2015-16 Accounts Audit Plan would be presented to the April Audit Committee;
- The 2015-16 final accounts audit was still planned for June 2016. Sign off of the final accounts had been brought forward to 31<sup>st</sup> July with submission of the accounts required in May;
- Work on the Value for Money conclusion was still in progress. There had been some changes to the work in value for money arrangements which was now much more risk focussed resulting in a more applicable report for the Council. The work would be outlined in the Audit Findings Report due to be presented in July;
- There were a number of other areas of interest to the Council including the summary findings of financial health checks and governance reviews and CFO insights – an online financial analysis tool;
- Changes to the 2015/16 Accounting Code by the introduction of 'Fair Value Measurement';
- Local Authorities would need to estimate a provision for unlodged non-domestic rate appeals.

The Audit Committee were content to note the contents of the report.

**RESOLVED:** That the report be noted.

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## 73. Report on Counter Fraud Work (Agenda Item 7)

The Fraud and Data Manager presented the report as detailed in the agenda. She highlighted that the Revenues and Benefits Team at SSSC had received funding under the DWP Fraud and Error Reduction Incentive Scheme, which covers Housing Benefit to undertake additional targeted case reviews to identify unreported changes of circumstances. She also referred members to the revised SSSC Counter Fraud Strategy Action Plan which detailed the tasks to be completed in the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 and gave an update on progress over the last year.

In response to member questions, the Fraud and Data Manager and the Investigations Manager (South West Counter Fraud partnership) confirmed that:

- The Whistleblowing Policy was available on the Council's website and an article had also been included in the Councillors newsletter 'Inform'. The policy would be kept under review;
- A significant amount of work had been undertaken to raise awareness of fraud with staff through the provision of training sessions;

- Fraud awareness training for elected members would be undertaken in the coming months. It was suggested that a presentation could be made prior to a Full Council meeting;
- The public were encouraged to report fraud through the Somerset Fraud website and Customers First were trained to deal with reporting cases;
- Some improvement was required with interlinking with the Department of Work and Pensions.

The Chairman thanked the Officers for their hard work and providing an informative report.

**RESOLVED:** That the progress on counter fraud work and the revised Annual Counter Fraud Action Plan be noted.

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

The Procurement and Risk Manager presented the report which updated members on any requested exemptions from the Procurement Procedure Rules during the financial year.

In response to a member question, the Procurement and Risk Manager advised that the new sound system for the Octagon required an exemption because of the specialist nature of the equipment and the knowledge of the provider.

The Procurement and Risk Manager advised that he intended to provide members of the Committee with some awareness training on Procurement Fraud and what there is in place to mitigate the risk of fraud in procurement occurring.

Members were content to note the report.

**RESOLVED:** That the report be noted.

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#### **75. 2016/17 SWAP Internal Audit Charter (Agenda Item 9)**

The Assistant Director (South West Audit Partnership – SWAP) presented the report. She explained that the Internal Audit Charter was presented to the Audit Committee on an annual basis and remained the same as approved in June 2015 with the exception of a few amendments to job titles.

Members were content to approve the Internal Audit Annual Report.

**RESOLVED:** That the Internal Audit Charter be approved.

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#### **76. 2016/17 SWAP Internal Audit Plan (Agenda Item 10)**

The Assistant Director (South West Audit Partnership – SWAP) introduced the SWAP Internal Audit Plan for 2016/17. She advised that the total number of audit days planned for 2016-17 was 333 days which was a reduction from the previous year but assured

members that there were sufficient days to be able to provide an overall assurance rating on the Council's internal control framework and governance.

The Assistant Director (South West Audit Partnership – SWAP) referred members to Appendix A which gave details of the audits planned for 2016-17. She noted that audits for Culture and Safeguarding had not been undertaken before. A Healthy Organisation audit had been trialled at other Councils and proved very successful.

Members were content to approve the Internal Audit Plan of 333 days for April 2016 to March 2017.

**RESOLVED:** That the Internal Audit Plan of 333 days for April 2016 to March 2017 be approved.

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**77. Audit Committee Forward Plan (Agenda Item 11)**

Reference was made to the agenda report, which informed members of the proposed Audit Committee Forward Plan. The Assistant Director (Finance & Corporate Services) suggested that as the April meeting was being held in a smaller venue she would look to rearrange some of the reports due to be considered.

It was agreed that the SWAP Internal Audit Quarter 4 Update Report would be added to the Forward Plan for May.

**RESOLVED:** That the Audit Committee Forward Plan be noted.

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Chairman