

South Somerset District Council

Minutes of a meeting of the **Audit Committee** held at the **Main Committee Room, Council Offices, Brympton Way, Yeovil** on **Thursday 28 June 2018**.

(10.00 am - 11.25 am)

Present:

Members: Councillor Derek Yeomans (Chairman)

Carol Goodall David Norris
Val Keitch Colin Winder
Graham Middleton

Officers

Laura Wicks Senior Auditor, SWAP
Kelly Wheeler Case Services Officer (Support Services)
Nicola Hix Lead Specialist (Finance)

1. Minutes (Agenda Item 1)

The minutes of the previous meeting held on Thursday 26th April, copies of which had been circulated, were agreed as a correct record and signed by the Chairman.

2. Apologies for absence (Agenda Item 2)

Apologies of absence were received from Councillors Mike Best, Tony Lock, Jason Baker and Anna Groskop.

3. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

4. Public question time (Agenda Item 4)

There were no members of the public present.

5. Date of next meeting (Agenda Item 5)

Members noted that the next meeting of the Audit Committee was scheduled for 10am on Thursday 19th July in the Main Committee Room, Brympton Way, Yeovil.

6. Practical Implications of the Revised Prudential Code, Treasury Management Code, Local Authority Investments and Minimum Revenue Provision (Agenda Item 6)

The Finance Specialist presented his report to members. He explained that following a consultation, new guidance had been published and that the amendments to the guidance were detailed within the report.

He highlighted point 9 of the report, advising that these were the main items to be considered as well as the action plan which was also detailed on page 9. He explained that further technical detail was contained within the appendices.

In response to questions from members, he explained that advance borrowing could only be sought for specific projects and that such borrowing would be regulated. He also agreed to clarify whether the guidance would apply to loans to Parish Councils; however he was confident that the guidance would still apply.

The Chairman advised members that a Risk Management Officer had been appointed and would be starting with the authority in early July. He commented that Risk Register reports were important and hoped that these would be included on future agendas of the Audit Committee.

RESOLVED: that members noted the implications and actions required arising from the new Codes of Practice and Statutory Guidance which included; Prudential Code (2017), Treasury Management Code (2017), Statutory Guidance of Local Authority Investments (2018) and Statutory Guidance on Minimum Provision (2018).

7. 2017/18 Treasury Management Activity Report (Agenda Item 7)

The Finance Specialist presented his report to members. He explained that the report included activity and performance for 2017/18.

He summarised the advice provided by Arlingclose on page 26 of the agenda and advised that further detail was included within appendix B of the report. He also drew members' attention to the Investment Activity and Portfolio which was detailed on page 27 and 28 of the agenda, advising that the value of the investments within the Council's portfolio had reduced.

He advised members that a breakdown of investments was included on page 31 of the agenda and responded to members' questions.

RESOLVED: that members;

- noted the Treasury Management Activity for the 2017/18 financial year
- noted the position of the individual prudential indicators for the 2017/18 financial year
- noted the outlook for the investment performance in 2018/19
- noted that the council operated within all of the Prudential Indicators during 2017/18
- Recommended that the 2017/18 Treasury Management Activity Report to Full Council

(Voting: unanimous)

8. Internal Audit Annual Activity Report 2017/18 (Agenda Item 8)

The Assistant Director, South West Audit Partnership, presented his report to members.

He advised that the report provided a summary of the delivery of the Internal Audit Plan for the year 2017/18 following the update which was provided to members in February.

He explained to members that there had been no changes to the audit plan which was detailed in appendix B.

In response to a question from a member, he advised that as part of the Transformation Project audit, ways to manage dips in performance had been considered, however there had been little opportunity and resource to do this. One member commented that valuable experience could be lost, however the Commercial Services and Income Generation Director advised that staff will remain in post until January.

RESOLVED: that members noted the report.

9. Internal Audit Annual Report and Opinion 2017/18 (Agenda Item 9)

The Assistant Direct, SWAP, presented his report to members advising that the annual auditors' detailed report provided reasonable assurance that risks were well managed.

He referred to the list of audits on page 65 of the agenda and explained that additional time had been spent considering the Transformation Project and that some of the planned audits had been removed to allow for this.

He advised members that risks including the Transformation Project, cyber security and GDPR were challenges that the council faced.

One member questioned whether enforcement was included within the Services Protection Plan and asked whether this was being met. The Commercial Services and Income Generation Director agreed to confirm this.

RESOLVED: that members noted the Annual Opinion Report for 2017/18.

(voting: unanimous)

10. Review of Effectiveness of Internal Audit 2017/18 (Agenda Item 10)

The Finance Specialist presented the report to members and advised following the review of the effectiveness of internal audit, that the function had been performing well.

He summarised the performance measures which had been used as well as the results. He further clarified the service standards and the delivery of each standard.

He clarified that the review had not identified any significant issues

RESOLVED: that members noted the findings of the review including the opinion of the S151 Officer regarding the effectiveness of the internal audit function.

(Voting: unanimous)

11. Health, Safety & Welfare – Report (Agenda Item 11)

The Civil Contingencies Manager presented her report to members.

She advised that;

- Although some changes had begun to the Health and Safety Management through the Transformation Project, these changes were in the early stages.
- Additional work would be carried out to ensure that staff working at home or alone were safe and that 'skyguard' had been introduced to some lone workers. She advised that she was currently looking at risk assessments for this.
- Fire Wardens and First Aiders in SSDC buildings were being amended as staff are changing roles and moving. She advised that interim arrangements were in place and that these would be looked at again in January.

In response to a member's question, she advised that a review on workplace pressure was underway.

She further clarified the accident statistics detailed on page 83 and the incident statistics which were detailed on page 84.

The Civil Contingencies Manager advised members that this would be the last Audit Committee that she would be attending and thanked members for their continued support. The Committee thanked her for her past excellent work and wished her all the best for the future.

RESOLVED: that members reviewed and noted the contents of the report.

12. Audit Committee Forward Plan (Agenda Item 12)

It was agreed that the Financial Statement Training for members of the Audit Committee would take place on the morning of Monday 16th July at 10am.

RESOLVED: that members noted the Audit Committee Forward Plan and the date for the Financial Statement Training.

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Chairman