

Audit Committee

This report summarises the items considered by the Audit Committee on 27 April 2017:

75. E:Procurement - Verbal Update

The Procurement and Risk Manager explained to members that it would soon be a legal requirement that the council carried out procurement transactions electronically and that most organisations e-procure for all services and purchases over the value of £25,000.

He suggested that members look at a web-based portal called 'Selling to the South West' and agreed that he would provide members with a link to the website. He explained that the full tender application process could be carried out on this web-portal for all transactions over £25,000 and that many local authorities in the South West were using this website portal. He pointed out that the police and other emergency services used a very similar online procurement portal.

He advised that approved suppliers could be listed on this website and that contract managers and contract negotiations could be made confidential to some users.

In response to questions from members, he advised that the site was very secure and that officers would require a password to access the site. He suggested that access would be given to procurement officers and to a few officers that would be given training initially. Access would be rolled out to further members of staff once any initial problems had been resolved and training had been provided. He further advised that the tender process was very secure and that the tenders would be held electronically until the tender deadline.

The Procurement and Risk Manager advised that suppliers could be pre-selected to ensure that local suppliers and approved suppliers were able to submit contract bids.

Members thanked him for the update.

RESOLVED: that members noted the report.

76. Risk Management/Procurement Strategy - Verbal Update

The Risk and Procurement Manager advised members that an audit on Risk Management had recently taken place. He pointed out that some of the technical applications on the risk register hadn't scored as highly as he had hoped and suggested that the search function on register had been an issue.

He advised that due to the change in the senior leadership, some of the corporate risks appeared to be unowned by a manager, but that he was hoping that these risks would be transferred to the Transformation Team as they would have a better understanding of where

the corporate risks would sit within the future staff model. He felt that it was important that all risks were allocated.

Members expressed their concerns regarding unallocated risks and the Section 151 Officer advised that he would be happy to assist with the allocation of risks to officers and agreed that it may be sensible to allocate the risks to the transformation team.

The Chairman thanked the Risk and Procurement Manager for attending and for his verbal update.

RESOLVED: that members noted the report.

77. Accounting Policies for 2016/17 Statement of Accounts

The Principal Accountant presented her report to members. She advised that there had been no major changes to the Accounting Policy statement and that there had only been slight amendments to the wording. She advised that the expenditure and funding analysis had been introduced and the comprehensive income and expenditure statement had been amended to reflect changes to budget monitoring.

She advised that training would be provided to members of the Committee in June 2017.

The Section 151 Officer advised members that the Income Generation policies could be updated as required, however advised that all policies were in place.

RESOLVED: that members noted the report.

78. External Audit Plan for 2017-18 (Agenda Item 9)

The Director of Grant Thornton, External Auditors, presented the external audit plan to members. She referred to page 28 and pointed out the challenges which SSDC were facing and advised that these were included within the plan.

She noted that the medium term financial strategy was sound and going well, however felt that the Transformation plan was a concern and she hoped to review the project management and governance arrangements of the project. She explained that although good rewards were possible, she pointed out the value for money risks surround the programme.

She referred to the significant risks detailed with the plan, and summarised the five significant risks detailed within the report. She concluded by drawing Members attention to the results of the interim audit work on pages 39 and 40 of the agenda.

The Section 151 Officer pointed out that the Transformation figures had moved on following the approval of the Transformation Programme report by the Full Council. He also clarified that a larger risk would be to do nothing and that the Transformation project would cover income generation, the workforce structure and how customers would be dealt with. He advised that although he had not seen the risk register, the risk of reduced funding to the Council was a large risk.

The Section 151 Officer clarified the changes to the journal entry controls.

RESOLVED: that members noted the report.

79. Audit Committee Forward Plan (Agenda Item 10)

Members noted the Audit Committee Forward Plan.

Councillor Derek Yeomans
Chairman of Audit Committee