

## South Somerset District Council

**Minutes** of a meeting of the **Audit Committee** held in Virtual Meeting using Zoom meeting software on **Thursday 22 October 2020**.

(10.00 - 11.23 am)

### **Present:**

**Members:** Councillor Martin Carnell (Chairman)

Robin Bastable	Paul Maxwell
Mike Best	Robin Pailthorpe
Brian Hamilton	Jeny Snell
Mike Hewitson	Colin Winder



### **Officers**

Jo Nacey	Section 151 Officer
Nicola Hix	Director (Support Services)
Brendan Downes	Specialist (Procurement)
Paul Matravers	Lead Specialist (Finance)
Martin Woods	Director (Place)
Alastair Woodland	Assistant Director, SWAP
Becky Sanders	Case Officer (Strategy & Commissioning)
Michelle Mainwaring	Case Officer (Strategy & Commissioning)
Jo Morris	Case Officer (Strategy & Commissioning)

### **Also Present:**

Derek Yeomans	Independent Member
Barrie Morris	Engagement Lead, Grant Thornton
Beth Garner	Engagement Manager, Grant Thornton
Linda Vijeh	Guest

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

The Minutes of the meetings from the 25<sup>th</sup> June and 30<sup>th</sup> July 2020 were both approved as a correct record, and would be signed by the Chairman.

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

An apology for absence was received from Councillor Malcolm Cavill and Councillor Colin Winder was present as substitute.

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

There were no declarations of interest.

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

No Members of the public were present at the meeting.

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**85. Date of next meeting (Agenda Item 5)**

Members noted that the next Audit Committee meeting was scheduled for the 26<sup>th</sup> November, with the time to be confirmed. This will be held virtually via Zoom.

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**86. Audit Committee Forward Plan (Agenda Item 6)**

Members were content to note the Audit Committee Forward Plan.

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

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**87. External Audit Progress Report (Agenda Item 7)**

The Engagement Lead (Grant Thornton) presented the report, which detailed the external audit progress for the year ending March 2020. He explained that progress had been slower than normal due to remote working and because of the strengthened procedures in certain areas of the audit. There were also areas impacted by Covid19. He reassured members that work was progressing well and that an audit findings report would be ready for late November.

The Value for Money work was nearing conclusion and so far, no particular areas of concern had been identified. He highlighted key elements of the report.

During a short discussion, the Engagement Lead for Grant Thornton responded to points of detail including:

- Work on the Housing Benefit Subsidy claim had been pushed back a little. Changes in reporting arrangements due to Covid-19.
- Reassurance that the Committee would be in a position to approve the annual accounts by the end of November. All key areas of work would be completed by then, but it was possible the Audit Opinion might follow shortly afterwards.

At the end of discussion Members were content to note the report.

**RESOLVED:** That the Audit Progress and Sector Update Report be noted.

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**88. Internal Audit Annual Activity Report 2020/21 (Agenda Item 8)**

The Assistant Director (SWAP) presented the update report, which detailed progress of the Internal Audit Plan 2020/2021. His highlights to Members included:

- Page 40 of the agenda listed work completed, one limited assurance and one follow up review. A health and wellbeing review had been added as requested by Members.

- Project governance, regeneration not assessed as a high corporate risk due to the experienced project teams that manage these projects. Recommendations brought forward had already been actioned.
- Page 43 of the agenda, provided an overview of what is in place. Minor recommendations made to enhance the framework, but generally working well.
- Nothing has been removed from the audit plan at this time due to the uncertainty with Covid19. It will be reviewed in Q4.
- Details of the recommendations were talked through and key areas highlighted.

During discussion the Director – Support Services, the Assistant Director (SWAP) and the Lead Specialist for People, Performance and Change responded to points of detail including:

- Confirmed the organisation does not currently have high levels of sickness. Certain teams may have higher pressure than others due to impact of Covid and there had been high levels of engagement with officers. Would look to see what and how further information regarding wellbeing could be given to Members.
- Relevant officers now had access to the register of dangerous people. Protocol of how this information is accessed was being reviewed.
- Requirement for assurance arrangements to be undertaken around the distribution of business grants in the next 2 weeks.
- Single points of failure within the organisation were being looked at and reviewed as a priority.
- The suggestion regarding potential integration with Avon and Somerset Police for sharing information would be investigated further.

Following discussion, Members were content to note the report.

**RESOLVED:** That the progress made in delivery of the 2020/21 internal audit plan be noted.

## 89. Treasury Management Practices (Agenda Item 9)

The Lead Specialist – Finance presented the report, which informed Members of the changes to the Treasury Management Practices for 2020.

He explained that none of the proposed changes were related to changes in legislation but the changes to the wording provided included more detail for understanding. He highlighted the key changes to Members.

During a short discussion, the Lead Specialist, Finance and the S151 Officer responded to points of detail, and clarified that;

- Borrowing in advance of need was included as a practice but was not something that is generally undertaken.
- The value of pooled fund investments had gone down significantly by the end of March but between April and September, had picked up again.

At the end of discussion, Members unanimously agreed to approve the changes in the report.

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

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**90. 2020/21 Treasury Management Mid-Year Performance Report and Strategy Update (Agenda Item 10)**

The Specialist – Finance presented the report, which provided the mid-year treasury performance and proposed updates to the Treasury Management Strategy. He highlighted several key areas of the report including pages 103, 105, 106, 107, 108, 110, 111, 126, 127 of the agenda.

During a short discussion the Specialist – Finance, Director of Support Services and the S151 Officer responded to points of detail, and some of their comments included:

- Borrowing is not identified against each asset, it's looked at as a whole.
- SSDC only had short-term borrowing.
- The rent from commercial properties would be monitored in the revenue accounts and reported as part of budget monitoring.

There being no further questions, Members agreed to note the report and endorse the updated Treasury Management Strategy Statement and Investment Strategy for recommendation to Council.

**RESOLVED:** That Audit Committee agreed to:

- Note the report
- Endorse the updated Treasury Management Strategy Statement and Investment Strategy for recommendation to Full Council.

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**91. Risk Management Update (Agenda Item 11)**

The Lead Specialist for Performance, People and Change presented the report, which provided Members with assurance of the risk management arrangements in place within the Authority and to give an overview of the risk position as at the end of July 2020. The revised simplified approach was maintained with seven risk categories, and collective ownership and reviews in forums rather than individuals. The Stronger Somerset and regeneration risk registers are kept separate from the corporate and strategic register as they had their own governance boards in place. A positive risk culture had been developed and the opportunities as well as risks would be looked at going forward. He referred to the overview of the risks for Members and highlighted key points with the register.

There were no questions and Members were content to note the risk arrangements and quarterly update.

**RESOLVED:** That Audit Committee:

- Noted the risk arrangements in place
- Noted the completion of the quarterly update to SSDC risk registers completed 31<sup>st</sup> July 2020.

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Chairman