

Audit, Governance and Standards Committee Action List **27th April 2017 Meeting – Appendix A**

Update on Ref 1 – Statement of Accounts 2014/15 – Inventories

Further to the Committee's request for Kevin Hirons to attend the April 2017 meeting, Mr Hirons has confirmed that he is unfortunately unable to do so as he will be on leave. The relevant Head of Service had indicated that he could attend but that he would not in a position to answer any questions raised by the Committee, which would not be helpful.

Mr Hirons has suggested that as the Committee do not meet very often, and as Mr Jones is unable to attend the September meeting and to avoid any further delay in resolving the Inventories issue originally raised by Mr Jones a year ago, Mr Jones possibly meet with relevant Officers again to discuss the feedback which he gave to the Committee in February this year.

Mr Jones has confirmed that whilst he is happy to meet with Officers again, perhaps with Councillor Thain (as Chair of the Committee) in attendance as well, he feels there is no real need for another meeting unless things have changed over the last 12 months. Mr Jones has advised that his previous meeting and subsequent report back to the Committee was to note the fact that there was no formal Inventory Management Policy (IMP) in existence. His concerns around the risks with this are:

- Lean Process;
- Optimise Supply Chain;
- Continual Improvement;
- Measures around Stock Turns;
- Optimum Inventory Levels and write-off control; and
- Understanding quality and the cost of poor quality (7 wastes).

Mr Jones had added that whilst some of the above may be collated and the risk on the others may be minimal and mitigated elsewhere, he did not see any signs of this. His recommendation to the Committee therefore would be to note that there is no formal IMP in existence and for Members to perhaps scrutinise the need for one, given that such a policy may or may not be of benefit to the Council.

The Committee is asked to determine how it wishes to proceed in this regard.