

Audit Committee – 4 July 2006

Minutes of the meeting of the **Audit Committee** held on **4 July 2006** when there were present:-

Chairman: Cllr P K Savill
Vice-Chairman: Cllr D G Stansby

Cllr Mrs L A Butcher
Cllr K A Gibbs
Cllr K J Gordon
Cllr K H Hudson

Cllr T Livings
Cllr Mrs J R Lumley
Cllr S P Smith
Cllr J Thomass

OFFICERS PRESENT

R J Honey	- Corporate Director (Internal Services)
T Metcalf	- Audit & Process Review Manager
B Butler	- Principal Auditor
J Kevany	- Principal Auditor
T Harper	- Performance Improvement Officer
M Martin	- Committee Administrator

210 MINUTES

The Minutes of the meeting held on 7 June 2006 were approved as a correct record and signed by the Chairman.

211 PROGRESS ON DECISIONS

The Committee received the Schedule relating to Progress on Decisions and noted the contents.

212 OUTLINE AUDIT AND INSPECTION PLAN 2006/07

The Committee received the report of the Head of Finance, Audit & Performance Management inviting Members to give consideration to the above plan.

In the absence of any representative from PKF attending the meeting, officers responded to Member questions/comments as follows:-

- The comments around reliance upon the work of the Council's Internal Audit in paragraphs 1.5 and 2.12 appeared to be at variance. However, it was clarified that the Audit Commission would no longer allow the external auditor to rely on information provided by the Local Authority due to changes in procedures nationally and would therefore have to charge for the additional work required of them around monitoring of Performance Indicators.

- It was a statutory requirement for PKF, the external auditor, to provide an expert 'opinion' on the Authority's Statement of Accounts. In turn, PKF would be assessed by the Audit Commission on this work.
- The meaning of the term 'CAKE' on page 7 of the report was not known.
- The "Questions and Objections" referred to in paragraph 7.12 referred to issues raised over and above those questions asked by the Members of the Audit Committee when reviewing the report. It would be very unusual for such an issue to arise; the Council would always try to provide an answer to ameliorate the amount of work required by the external auditor.

Whilst the report had followed the same format as in previous years, Members expressed dissatisfaction that, as this was a public document, the content was at times difficult to comprehend and requested that it be brought back to the Committee.

Resolved

That the language of the Outline Audit & Inspection Plan be updated where necessary to make it easier to understand and be brought back to the next meeting of this Committee. (HFAPM)

213 CORPORATE GOVERNANCE

The Committee considered the report of the Head of Finance, Audit & Performance Management advising Members of some re-scheduling of the annual review of corporate governance.

The report to be considered in September would be the statutory one from the Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives.

By delaying the timing of the report until the autumn it would be possible for a number of strands to be drawn together including, for example, performance management.

Resolved

That the annual review of corporate governance be reported to the Audit Committee at its September meeting. (HFAPM)

214 UPDATE OF AUDIT RECOMMENDATIONS

The Committee considered the report of the Head of Finance, Audit & Performance Management drawing Members' attention to the recommendations of the external auditor's report SAS610 dated October 2005 and to the recommendations of the external auditor's interim report dated July 2005, together with the management responses and any progress to date.

Members noted that guidance relating to the provision of a Code of Conduct for officers was still awaited from the Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister). The code of conduct would be enacted under provisions of the Local Government Act 2000 and it was intended to provide all staff with training on its effect prior to its introduction. An interim arrangement could be put in place if necessary, whereby staff could sign up to the existing local code, but this would still require more detailed training in due course.

Resolved

That the monitoring sheets for the external audit recommendations be agreed. (HFAPM)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the public and press be excluded from the meeting for the remaining item of business on the grounds that exempt information as disclosed in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed.

215 AUDIT REPORT

The Committee considered the exempt report of the Head of Finance, Audit & Performance Management drawing Members' attention to the following completed audit investigations and providing an update of audit recommendations.

Officers agreed to provide confirmation to Members of this Committee as follows:-

- That the application form for Non-Domestic Ratepayers does display the name of this Council.
- How performance with regard to collection of National Non-Domestic Rates is dealt with and its effect, if any, on the Council's grant settlement.

Resolved

- (1) That the conclusions and results from the audits in Appendix 1 be agreed.
- (2) That the updated information on the audit recommendations, outlined in Appendix 2, be agreed. (CEx)

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The meeting closed at 8.35 pm.

Chairman

Date