

Audit Committee – 7 June 2006

Minutes of the meeting of the **Audit Committee** held on **7 June 2006** when there were present:-

Chairman: Cllr P K Savill

Cllr Mrs L A Butcher
Cllr J P Cottis
Cllr K J Gordon
Cllr K H Hudson

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

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr D G Stansby.

OFFICERS PRESENT

P Warren	- Chief Executive
R J Honey	- Corporate Director (Internal Services)
Y Woodward	- Head of Finance, Audit & Performance Management
T Metcalf	- Audit & Process Review Manager
J Kevany	- Principal Auditor
M Martin	- Committee Administrator

ALSO PRESENT

S Frith - PKF

182 PRESENTATION BY PKF

The Chairman welcomed Members to the first meeting of the Audit Committee and invited Mr Frith to provide the Committee with an overview of the Roles and Responsibilities of an Audit Committee.

In response to a Member question around what type of issues might be investigated as part of a risk assessment, the following examples were provided:-

- an earlier deadline for completion of the authorities final accounts
- the transfer of the Council's housing stock
- the contract renewal process.

Members were advised that further training in the work of the Audit Committee would be made available to them.

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.

183 STATEMENT ON INTERNAL CONTROL (SIC)

The Committee considered the exempt report of the Chief Executive relating to the Annual Statement on Internal Control as required under the Accounts & Audit Regulations 2003.

Members noted that the Statement was based on a 'snapshot of time' relating to the internal business of the organisation and the way it worked. Whilst a sound system of internal control had been in place throughout the financial year, a number of areas needed to be enhanced.

In response to Member questions/comments, the following was noted:-

- The appendix detailing responses to questionnaires had been difficult to comprehend and officers agreed to take this into account for forthcoming Statements.
- The key focus would be where a batch of negative responses existed. Once weaknesses were identified, then a Manager would be required to produce an Action Plan.
- Regardless of the overall performance of an authority, it was useful for a number of identified areas to be monitored against performance.
- The Corporate Risk Action Plan was an ongoing live document and an update on the adequacies of the risk management controls in place would be reported to the Audit Committee in November 2006. The Audit Committee would be responsible for monitoring the key risks identified to ensure improvement.
- Issues around long term staff sickness absences had been identified by the Workforce Development Plan and, following the introduction of a sickness policy, a downwards trend had been identified.
- The Committee could identify areas of concern for consideration.
- The report had not made it clear that the Council's telephone system would be subject to an internal audit review during 2006/07.
- The Development Control (formerly Planning Services) Committee was the subject of the ongoing review.

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- A copy of the Audit Plan 2006/2007 agreed at the meeting of the former Finance & Procedures Overview & Scrutiny Committee on 20 April 2006 would be circulated to Members of this Committee.

Resolved

- (1) That the level of assurance provided is sufficient to determine the weaknesses identified within the 2005/06 Statement of Internal Control.
- (2) That the 2005/06 Statement on Internal Control be agreed for signing by the Leader of the Council and the Chief Executive. (CD(IS))

The meeting closed at 8.44 pm.

Chairman

Date