

# **Finance & Procedures Overview & Scrutiny Committee**

## **- 15 December 2004**

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Minutes of the meeting of the **Finance & Procedures Overview & Scrutiny Committee** held on **15 December 2004** when there were present:-

Cllr P F A Webster (Chairman)  
Cllr Mrs S A Harper (Vice-Chairman)

Cllr T Livings

Cllr D Merrick

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs P A Capon, Cllr K A Gibbs, J E Grey and Mrs J R Lumley.

### **OFFICERS PRESENT**

P Warren	- Chief Executive
R Crofts	- Corporate Director (Finance & External Services)
T Metcalf	- Audit & Process Review Manager
N Bishop	- Principal Auditor
J Kevany	- Principal Auditor
S Worthington	- Committee Administrator

### **ALSO ATTENDING**

I Davidson, Audit Commission  
D Eagles, PKF

### **544 MINUTES**

The Minutes of the meeting held on 9 December 2004 were approved as a correct record and signed by the Chairman.

### **545 EXTERNAL AUDIT – MANAGEMENT LETTER 2003/2004**

The Committee considered the Annual Audit and Inspection Letter issued jointly by PKF and the Audit Commission concerning the Council's final accounts for 2003/2004.

The key issues identified in the audit related to risk management, performance management, succession planning, statement on internal control and financial standing. The CPA improvement planning process was, however, progressing well.

Responding to a Member enquiry relating to Gershon efficiency targets, the representative from the Audit Commission confirmed that initial guidance published on the outcomes of the Gershon report advised that cutting services would not be considered valid in terms of Gershon efficiency targets. The

## **Finance & Procedures Overview & Scrutiny Committee**

### **- 15 December 2004**

---

Audit Commission would be able to offer a workshop to Members on the outcomes of the Gershon report, based on analysis that had been conducted of the initially published guidance. Full guidance on the implications of the Gershon report was due for publication in January.

Responding to a concern raised about the difficulty of identifying efficiency savings at the same time as drawing up budgets for the forthcoming year, the representative from the Audit Commission confirmed that it would be advisable to attempt to keep an ongoing record of any potential efficiency savings in tandem with general budget monitoring arrangements. The intention was that any efficiency savings could be re-invested into services or offset against Council Tax.

Responding to an enquiry relating to projected audit inspection fees for 2004/5, the representative from PKF advised that there was likely to be an inflationary increase of 3%, but that fees should be lower than for 2003/4 as performance work for 2004/5 would need to be completed within a shorter timescale than for the previous year.

#### **546 INTERNAL AUDIT'S REVIEW OF CORPORATE GOVERNANCE**

The Committee considered the report of the Chief Executive relating to the annual review of compliance with the Code of Corporate Governance.

It was noted that the Authority complied well with the Code and that similar messages had emerged in this review to those of the CPA process.

Responding to an enquiry relating to the omission of details of some stages relating to the IIP process that had been achieved in terms of evidence of progress, officers advised that such details could be included but a view had to be taken as to whether the evidence was critical to the report in order to demonstrate compliance with corporate governance. Officers would report back in July with details of progress made with respect to the Council's next statement of compliance with the Code.

#### **Resolved**

That the Finance & Procedures Overview & Scrutiny Committee should continue to receive updates on the Council's compliance with the Code of Corporate Governance. (CE)

#### **547 INTERNAL AUDIT PROGRESS REPORT**

The Committee considered the report of the Chief Executive inviting Members to agree the changes to the 2004/2005 Audit Plan.

The Authority was well on the way to meeting the targets set within the 2004/05 Audit Plan. It was, however, noted that the imminent loss of one of

its senior auditors would be likely to have an impact on the Audit Plan. Effort would be concentrated on those targets on which External Audit placed reliance.

**Resolved**

That the changes to the 2004/2005 Audit Plan be agreed and that the progress to date be noted. (CE)

**548 AUDIT AND INSPECTION REPORT**

The Committee considered the report of the Chief Executive drawing Members' attention to the recommendations of the External Auditor's report SAS610.

**Resolved**

That the monitoring sheet for the external audit recommendations be agreed. (CE)

**EXCLUSION OF THE PRESS & PUBLIC**

**Resolved**

That the press and public be excluded from the meeting for the remaining business on the grounds that exempt information as defined in paragraph 14 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed.

**549 AUDIT REPORT**

The Committee considered the exempt report of the Chief Executive drawing Members' attention to completed audit investigations and providing an update of audit recommendations.

Responding to an enquiry relating to mobile phones, officers confirmed that all those staff that worked outside the Council offices were issued with or had access to mobile phones, principally on health and safety grounds. There was a clear Council policy that any personal telephone calls should be paid for by employees. There was monitoring of the number of 'pay as you go' vouchers issued to officers. A review has been conducted and a definitive list of mobile phone numbers and users produced, which would be included on the Council's intranet.

**Resolved**

- (1) That the conclusions and results from the audits, as outlined in Appendix 1 to the report, be agreed.

## Finance & Procedures Overview & Scrutiny Committee

### - 15 December 2004

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(2) That the updated information on the audit recommendations, as outlined in Appendix 2 to the report, be agreed, subject to the following amendments:-

- Page 11.9, Report 5 (04/05): Delete item 1
- Page 11.10, Report 5 (04/05): Delete items 1 and 2
- Page 11.11, Report 5 (04/05): Delete item 1
- Page 11.11, Report 5 (04/05): Revise end date of item 2 to 1 January 2005. (CE)

The meeting closed at 8.25 pm.

Chairman .....

Date .....