

AUDIT SERVICES COMMITTEE – 31 January 2002

Minutes of the meeting of the **Audit Services Committee** held on **31 January 2002** when there were present:-

Cllr J R F Mason (Chairman)

Cllr Mrs R Brown
Cllr J E Grey
Cllr Mrs J Hall
Cllr D R Helson

Cllr G A Mockford
Cllr P J Morgan
Cllr P D Stebbing
Cllr P F A Webster

APOLOGIES FOR ABSENCE

Cllr G Fox

OFFICERS PRESENT

P Warren	Chief Executive
R Crofts	Corporate Director (Finance & External Services)
Mrs T Metcalf	Audit and Process Review Manager
Mrs N Bishop	Principal Auditor
Mrs M Martin	Committee Administrator

23 MINUTES

The Minutes of the meeting held on 29 November 2001 were agreed as a true record and signed by the Chairman.

24 OUTSTANDING ISSUES

The Committee noted the progress of the Outstanding Issues, subject to the following update:-

Car Park Administration (Minute 2/01)

Resolved

That the Finance & Procedures Overview & Scrutiny Committee would give further consideration to the extension of existing patrol hours, together with its enforcement. (HRHM)

25 EXTERNAL AUDIT – MANAGEMENT LETTER 2000/2001

Members had received, prior to the Meeting, the Management Letter relating to the external audit of the Council's accounts for 2000/2001, completed by the auditors, Pannell Kerr Forster. The Chairman introduced and welcomed to the meeting Mr David Eagles who presented a summary of the main findings of the audit.

Mr Eagles reported that the overall outcome of this audit had been very positive, whilst recognising that challenging times lay ahead. Members' attention was drawn to the Audit Commission's model of public audit which forms the basis of the revised Code, under which this Audit had been conducted.

The Code sets out auditors' responsibilities in relation to each of the elements of the audit. In addition to integrating Best Value responsibilities, the revised Code introduces a greater responsibility to assess an authority's arrangements in respect of financial conduct and focuses greater attention on an authority's arrangements for monitoring the adequacy and effectiveness in practice of internal financial control.

The Management Letter concluded that the authority had made significant progress in responding to central government and local initiatives. It particularly drew attention to the authority's development of its performance management framework and response to the challenge of a second year's Best Value Performance Plan. Members noted that a key need is to achieve a balanced budget to ensure there was no future impact on services.

The Auditor acknowledged the high level of Government initiatives required of local authorities and pointed out to Members that issues had been highlighted in the letter together with suggestions that might be helpful.

Members noted the following key issues which would be addressed during the 2001/2002 Audit:-

Best Value

Further minor changes to legislation were expected which would be communicated to the authority as soon as it became clear what impact they would have in terms of producing the 2002 Best Value Performance Plan and the external audit.

Risk Management – Corporate Governance

The modernising agenda emphasised the need for authorities to have sound corporate governance arrangements in place. The Council should be encouraged to prepare and adopt a local Code of Corporate Governance by 31 March 2002.

Housing Revenue Account Resource Accounting

This had been introduced from 1 April 2001 and would require a change in the financial reporting of the HRA. The Auditors would be discussing with this Authority the arrangements which have been put in place to comply with this.

e-Government

All authorities had been set a target of achieving 100% electronic delivery by 2005. The District Council would need to identify what could realistically be achieved electronically and allocate resources accordingly.

In conclusion, the Auditor reiterated his satisfaction with the Authority's performance in the majority of areas covered by the audit. Particular attention had been drawn to the excellent work done within the Performance Management area of activity.

Whilst it was clear that the Council would face a challenging agenda in addressing a number of national initiatives together with its own programme of development, it was the Auditor's view that it was making good progress within current resource constraints.

26 MONITORING REPORT

The Committee received the report of the Chief Executive which drew Members' attention to the latest Audit Commission publications and suggested best practice.

A summary of these had been appended to the report. The recommendations of the external auditors, including Best Value and Value for Money reports, and the Benefit Fraud Inspectorate had also been included in order that they may be monitored by this Committee. Members noted that whenever possible these would be included in Best Value reviews.

Members agreed that the following words be added in to the progress under the publication entitled 'Protecting the Public Purse – ensuring probity in local government – 2000 update' –

'Service Level Agreement with Rayleigh Police via the Crime and Disorder Partnership'.

Members noted that currently no timetable existed for the implementation of any detailed planning relating to the Euro currency. This would be led by national events but would not require a great amount of work.

Resolved

- (1) That the additional Audit Commission publications be acknowledged and the recommended best practice arising from them be noted.
- (2) That the updated monitoring sheet for the Audit Commission publications be agreed.

- (3) That the monitoring sheet for the external audit recommendations, including the value for money reports, be agreed.
- (4) That the monitoring sheet for the Best Value Performance Plan recommendations be agreed.
- (5) That the monitoring sheet for the BFI recommendations be agreed. (CEx)

27 PROPOSED AUDIT PLAN FOR 2002/03

The Committee received the report of the Chief Executive which asked Members to consider the proposed Audit Plan for 2002/03.

Members had given initial approval to the Audit Plan in January 2000, but approval was now needed for some minor amendments which had been made.

A new strategic audit plan would be produced and submitted for discussion to a future meeting of the Finance & Procedures Overview & Scrutiny Committee.

Resolved

That the Proposed Audit Plan for 2002/03 be agreed. (CEx)

EXCLUSION OF THE PRESS AND 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 the Schedule 12A of the Local Government Act 1972 would be disclosed.

28 AUDIT REPORT

The Committee considered the exempt report of the Chief Executive which drew Members' attention to the completed audit investigations, and provided an update of audit recommendations.

Resolved

That the updated information on the audit recommendations be agreed. (CEx)

29 PERFORMANCE INDICATORS FOR 2000/01

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The Committee noted the exempt report of the Chief Executive which compared the Performance Indicator out-turn figures for Rochford with those for other Essex authorities and all District Councils.

The Audit Commission had issued the 2000/01 performance figures for all authorities in England and Wales with an embargo on publication until further notice.

The meeting closed at 9.02 pm

Chairman

Date