

Minutes

Meeting of : Audit Committee
Meeting held in : Committee Room 2, Bourne Hill, Salisbury
Date : 10 January 2006
Commencing at : 10.00am

Present:

Mrs J Clarkson JP (Independent Person) – **Chairman**
Councillor J R L Nettle – **Vice Chairman**

Councillors J A Brady, P D Edge and P V H Paisey.

Officers

Mrs D Melville (Financial Services), Stewart Agland, Lindsay Mertens, Haylea Fryer (Democratic Services) and Alan Osborne (Financial Services).

Also present

Brian Bethell and Peter Brown (Audit Commission).

39. Apologies

Councillor D A Culver and K C Wren (observers)

40. Public Questions/Statement Time:

There were none

41. Councillor Questions/Statement Time:

There were none

42. Minutes:

Resolved – that the minutes of the meeting held on 20 October 2005 (previously circulated) be approved and signed by the Chairman.

43. Declarations of Interest:

There were none



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1. Minute 32 states that the deadline for the IT security policy and corporate standards was 31 December 2005. The deadline for this work has been extended.

Diana Melville confirmed that she would give an update on this work at the next meeting of the Audit Committee in April.

2. Minute 37 relates to the recruitment of a second independent member to the Audit Committee. One of the two short listed candidates has shown some interest in joining the group, although he has shown some concern with regard to his fee. The Chairman is now awaiting confirmation of his position in writing.

Arising from this matter the general remuneration of members was discussed. Stewart Agland undertook to raise the issue of remuneration for independent committee members at the next Remuneration Panel meeting and to raise the possibility with that Panel of seeking the views of the independent member(s) of the Audit Committee as part of its review. The committee will then reconsider this matter at their next meeting in April (although the views of the Remuneration Panel will not be known at that time).

3. The attendance of the Leader of the Council and the Resources Portfolio Holder (as observers) at meetings of the Audit Committee was discussed, and it was noted that their presence is greatly appreciated. Where they are not able to attend, the committee members would be grateful if a deputy is sent. The suggestion was made that a small amount of time be allotted for discussion with the Leader of the Council and the Resources Portfolio Holder in addition to the formal meeting, during which an update on matters not on the agenda may be discussed (the frequency of this additional meeting to be decided upon by the Chairman).
4. As per the Terms of Reference requirement, a date has been fixed for the Chairman to meet independently with the external auditor and separately with the Chief Internal Auditor. These meetings will take place on 4th April 2006.

Other matters raised in relation to the minutes were covered by later agenda items.

45. Audit and Inspection Letter 2004/05:

Mr Bethell, District Auditor, presented the letter of the Audit Commission.

Mr Bethell advised the committee that the letter presented to the group was essentially an interim letter, as certain projects, namely the Direction of Travel Statement and the Use of Resources Judgement work, would not be finished for inclusion until March. The interim letter was provided in order that the committee may raise any issues on its content, if necessary. The additional work will be brought to the committee for review at a future meeting.

The following matters were then raised:

- The committee discussed the rating system used in the letter to assess council services. It was felt that further clarification of the rating system should be included within the final letter.
- There was a general undertaking that members would be provided with summaries of the information which feeds into the Audit and Inspection Letter. This information to be provided outside of the meeting in the form of background papers, to help inform the consideration of the main document.
- The committee's role in terms of monitoring fraud and risk management was raised.
- It was noted that the relevant aspects of the Procurement Strategy could potentially form part of the Audit Plan for the next financial year.
- The issue of pension funding was discussed, and the committee noted that this issue is being addressed and they would receive feedback to ensure that the remedial action put in place has been having the desired effect.

Agreed – that the letter be noted, and the committee welcome the positive comments therein, and this view be communicated to the Management Team.

46. Auditor's Report on Best Value Performance Plan:

The Committee considered the report of the District Auditor, Mr Bethell (previously circulated).

Agreed - that the report be noted

47. Best Value Performance Plan – summary Report:

The committee considered the report of the District Auditor, Mr Bethell (previously circulated):

Resolved – that

1. the report be noted.
2. the group receive feedback from the Performance Improvement Manager at a future meeting, in order to ensure that the actions identified within Appendix 2 of the Best Value Performance Plan Summary Report are being carried out.

48. Annual Review of Corporate Governance:

The committee considered the report of the Chief Internal Auditor, Diana Melville (previously circulated).

Resolved – that

1. no formal comments be forwarded to the Standards Committee with regard to the Action Plan for 2006.
2. the Chief Internal Auditor work in consultation with the Audit Commission in order to provide the committee with feedback on ways to test the understanding of the principles of Corporate Governance, as concluded in Appendix B of the report.

49. Internal Audit Strategy 2006-2008:

The Committee considered the previously circulated report of the Chief Internal Auditor.

Resolved – that the strategy be approved.

50. Date of Next Meeting:

Resolved – that the next meeting of the Committee is to be held on 4 April 2006, in Committee Room 1 at 10.00 am.

The meeting concluded at 11:10 am