

**Democratic Services**  
**Salisbury District Council**  
**PO Box 2117**  
**Salisbury, Wiltshire SP2 2DS**

**officer to contact:** Lindsay Mertens  
**direct line:** 01722 434252  
**fax:** 01722 434478  
**email:** lmertens@salisbury.gov.uk  
**web:** www.salisbury.gov.uk

# Minutes

**Meeting of** : Audit Committee  
**Meeting held in** : Meeting Room, City Hall, Salisbury  
**Date** : 4 April 2007  
**Commencing at** : 10.00 am

---

## **Present:**

Mrs J Clarkson JP (independent person) – **Chairman**  
Mr P Downing (independent person) – **Vice Chairman**

Councillor J M Collier

Councillors R Britton and D A Culver were also in attendance as observers in their capacity as Leader and Portfolio Holder for Resources.

## **Officers**

Lindsay Mertens (Democratic Services), Matthew Tiller and Diana Melville (Financial Services)

## **Also present**

Peter Brown and Melanie Watson (Audit Commission)

## **Apologies**

Councillors P D Edge, A G Peach and K C Wren.

---

### **105. Public Questions/Statement Time:**

There were none.

### **106. Councillor Questions/Statement Time:**

There were none.

### **107. Minutes:**

**Resolved** – that the minutes of the meeting held on 16 January 2007 (previously circulated) be approved and signed by the Chairman.



**Awarded in:**  
Housing Services  
Waste and Recycling Services



**108. Declarations of Interest:**

There were none.

**109. Chairman's Announcements/Questions:**

The Chairman updated the Committee on the appointment of the council's external auditor, explaining that the Audit Commission had been reappointed to fill the role. Members noted that it was unfortunate that the Committee had not been consulted prior to this appointment being made, and felt that the Audit Committee should be included as part of any future consultation process in this regard.

The Chairman also raised the matter of the Office Centralisation project, asking Members whether they felt satisfied that the Committee was engaging fully enough in the project process to identify any potential risks, particularly given the amount of press attention elicited by the project. Councillor Britton reiterated the business case for the project and the fact that it had been subject to external review and validation. Members discussed the various documents which were being maintained to outline the risks of the project and felt satisfied that such an overview was being taken by the council but highlighted the need for the matter to be kept under close review.

The Chairman also raised the matter of Pensions Equalisation, asking whether this national requirement would have any impact on Salisbury District Council, but was pleased to hear that the council had gone through this process successfully some years before.

**110. Annual Audit & Inspection Letter:**

Mr Brown of the Audit Commission introduced the above previously circulated report to the Committee which included the Use of Resources Auditor Judgement report. He outlined the main areas of note within the report, explaining that the Letter was generally very positive, with investigations reflecting good quality services and value for money. A few areas of more concern were highlighted in the report, these including the requirement for a robust business plan for the council's housing stock, along with retaining an effective project management steer on the council's Office Centralisation project. In relation to the Use of Resources Auditor Judgements, Mr Brown explained that an overall score of 3 out of 4 (on a scale of 1 to 4) was a good outcome and was to be expected for such a council with good governance arrangements. He explained that an overall score at level 4 would be reflective of an authority operating with excellence and innovation, and in order to reach this level, assurance processes must be embedded across the council first.

The Committee noted that they were pleased by the contents of both reports. In relation to the Use of Resources Auditor Judgements, Members noted that appendix 1 listed certain criteria which would reach 'must have' status for the next assessment and asked that if there were any barriers involved with reaching these criteria the Committee would expect to be informed. The Committee also noted that they felt reducing congestion and improving public transport were important areas of work but were content that they would keep abreast of this via the regular risk register reports. Similarly, Members felt that the Committee should retain an overview of the progress of reducing household waste and improving recycling in the district, and felt that it would be appropriate to request more information on the success of this target approximately 3 months after the introduction of the proposed alternate weekly collections.

**Resolved – that:**

- 1) the report be noted.
- 2) the Committee be informed of any concerning impediments associated with reaching 'must have' status for the criteria as listed within appendix 1 of the Use of Resources Auditor Judgements.
- 3) a report on the progress toward reaching targets associated with household waste and improving recycling in the district be brought to the Committee approximately 3 months after the proposed implementation of alternate weekly refuse collections.

**111. Assurance Framework and Assurance Plan 2007/08:**

The Chief Internal Auditor outlined the previously circulated report for the Committee, highlighting particularly the recommendation that, in line with best practice, the Audit Committee should itself be periodically reviewed and an annual report be made to Full Council. It was explained that CIPFA recommends that this review be undertaken as a self assessment or as a peer review, with guidance being taken from its publication 'Toolkit for Local Authority Audit Committees'.

Members of the Committee felt that it would be appropriate for such a review to be undertaken, with self assessment being the best route by which to achieve this.

Some Members queried whether public consultation would be an appropriate addition to this exercise. The Chief Internal Auditor explained that self assessment of the committee and reporting to Full Council contributed to the internal control assurances, and sourcing public opinion on services would be an exercise better suited to informing the Governance Statement, which would be produced in the coming year.

**Resolved** - that

- 1) the Assurance Framework, as set out in the report, be adopted.
- 2) an annual report on the effectiveness of the Audit Committee be produced for Full Council, with self assessment, guided by the CIPFA toolkit, being the best method by which to achieve this.
- 3) the Assurance Plan for 2007/08 be approved.

**112. Assessment of Risk Maturity and Risk Management Group Work Programme:**

The Chief Internal Auditor outlined the previously circulated report for the Committee, explaining that it contained the findings of the Risk Management Group following its second annual assessment of the council's risk maturity in order to show how well developed the council's risk management process is and to identify areas for improvement. The Officer explained that significant improvement had been seen, particularly in relation to embedding risk management arrangements across the authority.

Whilst accepting that the model shown at appendix A in the previously circulated report was one recommended through best practice, Members found it particularly hard to analyse, and asked that the Chief Internal Auditor undertake to produce a clearer version in the future.

The Committee also felt that responsibility for determination, assessment and management of risks should be an integral part of all management roles, and observed that the assessment model reflected that this was not yet the case. Members felt that this should be something built in to all management job descriptions and noted that they would welcome the opportunity to discuss this further with the Head of People and Organisational Development (POD).

**Resolved** – that:

- 1) the report be noted.
- 2) the Head of POD be invited to attend a future meeting of the Audit Committee to discuss the observation as raised by the committee above.

**113. Corporate and Portfolio Plan Risk Registers:**

The Committee considered the latest risk registers reported to Cabinet (previously circulated), including all those included with the recently adopted Portfolio Plans.

Members felt that, should the county council's bid for unitary status be approved, new risk registers would be required to identify the associated risks.

**Resolved** – that

- 1) the latest risk registers be noted.
- 2) the Risk Management Group be informed of the Audit Committee's observation that a new assessment of the risks facing the council may be required depending on the outcome of Local Government Reorganisation.

**114. Terms of Reference for Internal Audit:**

The Chief Internal Auditor introduced the previously circulated report, explaining that the Terms of Reference for Internal Audit were last approved by the council in October 2005, and that these would now be affected by

the revised Code of Practice for Internal Audit in Local Government, as published by CIPFA in December 2006.

Members then considered the proposed changes to the Terms of Reference, and were satisfied with all proposals, subject to some minor changes in wording to add further clarity.

**Resolved** – that:

- 1) the Terms of Reference for Internal Audit, as included as annex A within the previously circulated report, be approved.
- 2) this approval be subject to point 4.1 being amended to read 'The Chief Internal Auditor has the right to report in its own name and to have freedom of access to all senior officers and Members.'

**115. Update on Internal Audit work 2006/07:**

Members considered the update on internal audit work 2006/07 (previously circulated), noting that a complete review of work during this period would be brought to the Committee meeting in June.

**Resolved** – that the report be noted.

**116. Annual Internal Audit Plan 2007/08:**

The Committee considered the previously circulated Annual Audit Plan for 2007/08. The Chief Internal Auditor explained that a great deal of consultation with managers had contributed to the formulation of the plan, which she hoped would give the committee a broad range of assurances regarding the council's objectives, governance arrangements and key operational risks.

Members noted that they were particularly pleased to see the inclusion of counter fraud measures and the creation of more affordable housing included as areas for investigation within the plan, as the Committee had observed before that they felt these areas to be of particular importance.

**Resolved** – that the Internal Audit Plan 2007/08 be approved.

**117. Update of 2006 Statement of Internal Control Action Plan:**

Members considered the previously circulated update.

**Resolved** - that the actions in respect of property management, business continuity and IT security be included in the Statement on Internal Control action plan for 2007.

**118. Date of next meeting:**

Members noted the previously agreed date of the next meeting as 10am on Wednesday 13 June 2007 in the City Hall, Salisbury.

*The meeting concluded at 12:05pm  
Members of public in attendance:0*