

Minutes

Meeting of : Audit Committee
Meeting held in : The Meeting Room, City Hall, Salisbury
Date : Wednesday 9 April 2008
Commencing at : 6.00 pm

Present:

Mrs J Clarkson JP (Independent Member) *Chairman*
Mr P Downing (Independent Member) *Vice-Chairman*

Councillors C Devine, J King, D J Luther, and I Mitchell

Officers:

James Chamberlain (Democratic Services Officer), John Crawford (Head of Legal and Property Services), Alan Osborne (Head of Financial Services), and Estelle Sherry (Audit Manager)

Apologies: There were none

Also present:

Brian Bethell (Audit Commission)
Councillor A A Thorpe (Portfolio Holder for Resources)

45. Public Questions:

There were none.

46. Councillor Questions/Statement Time:

There were none.

47. Minutes:

Resolved – that the minutes of the meeting held on 10 January 2008 (see Appendix A) be approved and signed as a correct record by the Chairman.

48. Declarations of Interest:

There were none.

49. Chairman's Announcements/Questions:

The Chairman informed the Committee that she had recently met the Chief Executive to discuss various issues including:



Awarded in:
Housing Services
Waste and Recycling Services



- The Corporate Governance Review, and how to continue the good work already done in this area following the departure of the Chief Internal Auditor;
- The attendance of the Chief Executive at future meetings of the committee;
- Officer support to the committee from Democratic Services, and following the departure of the Chief Internal Auditor;
- The possibility of the appointment of an Interim Programme Coordinator to take forward the work on corporate governance;
- The recent reorganisation of the risk registers.

The Chairman also drew to the Committee's attention the fact that she was not aware that any progress had been made on looking at reviewing Independent Members' allowances. Officers agreed to look into this matter further and report back to a future meeting of the Committee.

50. Audit Committee Annual Report 2007/08:

The committee considered the Annual Report of the Chairman. Members welcomed the report, and agreed that the reference on page 3 to when the results of the survey were presented should be deleted. It was also noted that the transition to the new authority presented a number of risks, and that there should be a programme of audit to cover the period of transition.

Resolved: to approve the Annual Report, subject to the above amendment.

51. Annual Audit and Inspection Letter:

Mr Brian Bethell of the Audit Commission presented the previously circulated report to the committee. Mr Bethell noted that the Council was making progress on the delivery of its priorities and had improved the performance of some, but not all, of its priority areas. The committee noted that pressures would continue to increase in the run up to Vesting Day of Wiltshire Council on 1 April 2009, and that it would be vital to ensure that the council's learning on ethical governance be carried forward to the new authority. It would also be important to review partnership working in the context of Local Government Reorganisation, and the importance of maintaining good project management of the office project was underlined. The committee also noted the need to develop a new business strategy for housing.

In response to questions from Members, Mr Bethell stated that the publication of the Annual Audit and Inspection Letter was dependent on data that the Audit Commission received in December, which explained why the committee received the letter in April for the 2006-2007 financial year. Members noted, however, that the Direction of Travel included data reported on the period March 2007 to December 2007. In view of Local Government Reorganisation, Mr Bethell noted the need for the Audit Commission to publish its Letter before April 2009, and the Chairman noted the need to arrange meeting dates in 2009 around this matter.

Resolved – that the report be noted.

52. Annual Audit Plan 2008/09:

The committee considered the report of the Audit Manager. The committee was informed that due to Local Government Reorganisation, the number of audits of operational areas had been reduced, although due to the number of residents it affected, service charges were included within the Plan. The committee noted that the Plan would be brought back to the committee in September 2008. With regard to Local Government Reorganisation, officers stated that the Department for Communities and Local Government, together with the Implementation Executive, would issue guidance on the types of risks the council should assess. It was also noted that governance arrangements were already in place to oversee the council's involvement in Local Government Reorganisation and Business as Usual, and that the Chief Executive would be able to update the committee on these at its next meeting.

Resolved:

- (1) to note the report
- (2) to request a report at the committee's next meeting on governance arrangements relating to Business as Usual and Local Government Reorganisation.

53. Audit Committee Draft Work Programme:

The committee considered the previously circulated Audit Committee draft Work Programme. It was noted that the Annual Report of the Audit Committee had been considered at this meeting and therefore reference to it in the work programme for June should be removed. It was agreed that "Review of Transition Arrangements" should be placed as a standing item on the agenda for all future meetings.

Members requested a presentation from officers on the remaining risk registers, and an update from the Internal Governance Group of One Council for Wiltshire to go to the June meeting.

Resolved: that the work programme be agreed, subject to the above amendments.

54. Review of the Council's Governance Framework:

The committee considered the previously circulated report of the Governance Work Group. The Head of Legal and Property Services tabled Appendix A to the report at the meeting. Members noted that Section Four of the report was still absent. Members also requested officers to consider how the role of the Senior Management Team could be displayed graphically in Appendix C.

Resolved: that

- (1) to note the outcome from the review and agree the governance objectives set out in Appendix B;
- (2) to approve the revised Assurance Framework and the sources of assurance identified to support the Governance Statement;
- (3) to note the proposed Code of Local Governance and recommend to Full Council on 23 June 2008 its adoption.

55. Assessment of Risk Maturity and Risk Management Group work programme:

The committee considered the previously circulated report of the Risk Management Group.

Resolved: to note the assessment of risk maturity

56. Matters, if any, which by reason of special circumstances the Chairman decides should be considered as a matter of urgency.

57. Date of the next meeting:

Members noted that the date of the next meeting (18 June 2008) fell on the same day as a Cabinet meeting.

Resolved: that the meeting of the Audit Committee on 18 June 2008 be held at 4.00 pm instead of 6.00 pm, unless the date of the Cabinet meeting was subsequently rearranged.

*The meeting concluded at 7.50 pm
Members of public in attendance 2*

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Minutes

Meeting of : Audit Committee
Meeting held in : Alamein Suite, City Hall, Salisbury
Date : Thursday 10 January 2008
Commencing at : 6.00 pm

Present:

Mr P Downing (Independent Member) *Vice-Chairman - in the Chair*

Councillors D J Luther, J King and I Mitchell

Officers:

Steve Milton (Principal Democratic Services Manager) and Diana Melville (Chief Internal Auditor)

Apologies: Mrs J Clarkson JP (Independent Member) *Chairman*, Councillor C Devine.

Also present:

Peter Brown (Audit Commission)

34. Public Questions:

There were none.

35. Councillor Questions/Statement Time:

There were none.

36. Minutes:

Resolved – that the minutes of the meeting held on 26 September 2007 (previously circulated) be approved and signed as a correct record by the Chairman.

37. Declarations of Interest:

There were none.

38. Chairman's Announcements/Questions:

Matters arising from the minutes: The Chairman wished to report that the Governance framework working group's first meeting was on 4 December 2007 with the next meeting on 21 January.

39. Use of Resources Assessment:

Peter Brown of the Audit Commission presented the Use of Resources Auditor Judgements and answered members' questions. Mr Downing submitted some questions that he and Mrs Clarkson had about the assessment and Mr Brown and Diana Melville responded to the points raised as follows:



Theme scores: there had been no change by the National overview of the audit to these scores since the meeting on 10 December.

Managing council housing: as this was an assessment of performance over the last 12 months, the council was in the process of reassessing its performance against its own decent homes standards.

Theme score 3: Peter Brown drew attention to the high level of costs associated with central and democratic costs and unapportioned overheads and asked the officers to report further on this at the next meeting

Office centralisation: members questioned the measures being taken to mitigate the impact on the council's financial position of the office project. Diana Melville confirmed that the council had assessed and accepted the financial risks associated with the project. Regular monitoring reports are prepared for the Cabinet in order that it may be aware of full financial implications of the project so far as these can be known. In connection with this Mr Downing circulated a rough analysis of the projected spend compared with a similar project in London, which clearly identified the high cost of the scheme. Members noted the analysis.

Mr Brown confirmed that these issues had all been highlighted in the assessment for attention by the Council. Following points raised by members, Mr Brown agreed to amend the wording of paragraph 9 on page 16 to make the meaning clearer.

Resolved: that subject to the amendment set out above, the assessment be noted.

40. Fraud Risk Standard:

The committee considered the report of the Chief Internal Auditor. Some concern was raised about the increased risk of fraud that may occur during the changeover to the new authority.

Resolved:

- (1) that the results of the self-assessment and the immediate actions proposed be noted and the future arrangements for counter fraud work in the new authority be endorsed; and
- (2) that the concerns of the committee concerning the increased risk of fraud during the period of transition to the new Wiltshire Council be referred to the council's Risk Management Group.

41. Internal Audit Update:

The committee considered the report of the Chief Internal Auditor and discussed the level of the Audit Team's involvement in the transition to the new unitary.

Resolved: that the comments be noted.

42. Risk Registers:

The Committee considered the Corporate risk register. Members asked for the presentation of the information to be amended to show changes over time and to highlight areas of concern more clearly - possibly using symbols. Diana agreed to revise the format of the report to address the concerns. Members also raised the issue of risks associated with the transfer of personal data between agencies. Diana agreed to take this up with the Risk Management Group.

Resolved: that the risk register be noted (other risk registers were delayed until the next meeting).

43. Audit Committee – Draft Annual Report:

Mr Downing, on behalf of the Chairman, called for a Councillor to provide input into the preparation of the report for the Council.

Resolved: that Councillor Ian Mitchell be nominated to assist.

44. Future Dates of Meetings:

The Committee noted the future meeting dates on 9th April, 18th June and 24th September.

*The meeting concluded at 7.15 pm
Members of public in attendance 0*