

**Democratic Services**  
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# Minutes

**Meeting of** : Audit Committee  
**Meeting held in** : The Meeting Room, City Hall, Salisbury  
**Date** : Wednesday 18 June 2008  
**Commencing at** : 4.00 pm

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**Present:**

Mrs J Clarkson JP (Independent Member) and Mr P Downing (Independent Member).

Councillors J P King, D J Luther, I C McLennan (for items 58 & 59 only) and I M Mitchell.

**Officers:** Tim Revell (Interim Manager), Alan Osborne (Head of Financial Services), Matthew Tiller (Chief Accountant), Estelle Sherry (Audit Manager) and Frank Dick (Interim Manager)

**Apologies:** Councillor C Devine

**Also present:** Chris Peachey and Martin Robinson (Audit Commission)

## COUNCILLOR I MCLENNAN IN THE CHAIR

**58. Election of Chairman:**

Councillor McLennan asked for nominations for Chairman.

**Resolved:** that Mrs J Clarkson JP be elected Chairman for the Municipal Year 2008/09.

## MRS J CLARKSON JP IN THE CHAIR

**59. Election of Vice-Chairman:**

**Resolved:** that Mr P Downing be elected Vice-Chairman for the Municipal Year 2008/09.

**60. Public Questions:**

There were none.

**61. Councillor Questions/Statement Time:**

There were none.

**62. Minutes:**

**Resolved:** that the minutes of the meeting held on 9 April 2008 be approved and signed as a correct record by the Chairman subject to the inclusion of the amendments made to the minutes of the meeting on 10 January 2008.



Awarded in:  
Housing Services  
Waste and Recycling Services



**63. Declarations of Interest:**

There were none.

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

The Chairman informed the Committee that she had asked that standing items should be included on all future agendas dealing with the review of transition arrangements and progress with the office project with particular emphasis on the cost. The Chairman also advised that due to a clash of diary commitments the Chief Executive was unable to attend as had been anticipated but she would be invited to attend the next meeting.

**65. Statement of Accounts 2007/08:**

The committee considered the previously circulated report of the Head of Financial Services and the Chief Accountant.

**Resolved:** that, subject to the following, the Statement of Accounts for the financial year ended 31 March 2008 be approved.

- (a) clarification of the technical adjustments being made to take account of impairments (paragraphs 4.1 and 4.2 of the report);
- (b) some more detail on capital schemes (paragraph 4 of the foreword to the accounts);
- (c) amendment of classifications in note 1 moving council tax benefits from Housing Benefits to Local Tax Collection.

**66. Annual Governance Report 2007/08:**

The committee considered the previously circulated report of the Interim Manager.

**Recommended to Council on 23 June 2008:** that, subject to the following, the Annual Governance Statement 2007/08 and the revised Code of Governance be approved.

- (a) on para 3.14 clarification of the Committee's role of ensuring appropriate arrangements for sound financial management;
- (b) on para 3.21 additional information about the financial planning and budget setting process;
- (c) an additional para 5.8 confirming this Committee's decision to recommend approval of the Statement (to comply with CIPFA guidance).

**67. Internal Audit Annual Report 2007/08:**

The committee considered the report of the Audit Manager. A number of comments and queries were raised by the Committee, which included the following:

- (a) on para 3.4 concern was expressed at the apparent deterioration in assurance levels; further explanation was made setting this in context;
- (b) on para 3.5 the calculation of the tolerance level for risk appetite was clarified;
- (c) on para 6.4 concern was expressed at the lack of priority given to some management action plans.

**Resolved:**

- (1) that the overall opinion on the control environment and Internal Audit's performance be noted; and
- (2) that the Committee be advised of the arrangements for ensuring that appropriate priority is given to management action plans and the consequences if this were not the case.

**68. Review of the Effectiveness of the System of Internal Audit:**

The committee considered the previously circulated report of the Audit Manager.

**Resolved:** that subject to the following areas for improvement the effectiveness of the system of internal audit in the council be noted.

- (a) Internal Audit aim to achieve a score of 'good' for all aspects of customer satisfaction;
- (b) the introduction of escalation procedures to ensure timely responses from managers was welcomed.

**69. Update on the Work of the Internal Governance Sub-Group of the One Council for Wiltshire Project:**

The committee considered the previously circulated report of the Audit Manager.

**Resolved:** that the progress made to date be noted

**70. Audit Commission Audit Inspection Plan 2008/09:**

The committee considered the previously circulated report of the Audit Commission. Mr Robinson and Mr Peachey of the Audit Commission introduced the Audit and Inspection Plan 2008/09 to the Committee. It set out the audit and inspection work the Commission proposed to undertake in 2008/09. It was based on the Commission's risk based approach to audit planning and the requirements of moving towards Comprehensive Area Assessment (CAA). It reflected:

- audit & inspection work specified by the Audit Commission in 2008/09;
- current national risks relevant to Salisbury's local circumstances; and
- Salisbury's local risks and improvement priorities.

Mr Robinson clarified the manner in which the total fee would be calculated, the fee for inspections being additional to the Commission's scale fee. Members indicated that in paragraph 6 of appendix 4 this Committee was identified as being the appropriate addressee of communications from the auditor but could not recollect any such communications. Mr Robinson advised that communications were normally addressed to the Council's officers and this was intended for situations where the Commission needed to raise serious issues formally but accepted that the meaning was ambiguous. He would clarify the precise meaning of this paragraph.

**Resolved:** that the Audit Commission and Inspection Plan 2008/09 be noted.

**71. Risk Registers and Risk Management Update:**

The committee considered the previously circulated report of the Interim Manager on behalf of the Risk Management Group enclosing the Cabinet and Corporate Management Team (CMT) risk registers. The two key risks identified were capacity and continuation of services. CMT was leading on risk management and received a monthly report.

**Resolved:** that the Risk Registers be noted.

**72. Annual meetings of the Chairman of the Audit Committee with the Audit Commission and Internal Audit Manager:**

The Chairman reported on the discussions which had taken place and indicated that there were no areas of concern she wished to raise formally with the Committee.

**73. Date of the next meeting:**

The Committee noted that the next meeting of the Audit Committee would be held on Wednesday 24 September 2008 at 6.00 pm in the Meeting Room at City Hall.

*The meeting concluded at 6.20 pm  
Members of public in attendance 0*