



MINUTES

AUDIT COMMITTEE

4.30 p.m. – 6.55 p.m.

22 June 2009

Present: Councillors S Little (Chair), Bremner, Divers, Makoff, Stephenson and Waters

1. APPOINTMENT OF VICE CHAIR

RESOLVED to appoint Councillor Driver as Vice Chair for the ensuing civic year.

2. MINUTES

RESOLVED to agree the accuracy of the minutes of the meeting held on 26 March 2009 subject to it being noted that the Chair had been requested not to attend the meeting as he had chicken pox.

3. ANNUAL GOVERNANCE STATEMENT 2008/09

The Chair reminded members of the role of this Committee in considering the Annual Governance Statement. They needed to be satisfied that both the statement was an accurate representation of current arrangements and that it was in accordance with the 2007 CIPFA and SOLACE framework of good guidance for use in local government.

The Head of Finance then presented the report. The Audit Manager pointed out that the report was for resolution rather than for information. The annexes did not form part of the Annual Governance Statement which was a stand alone document. He referred to a number of typographical errors in the draft statement that would be corrected in the final version.

A member said she found it odd that the Council's annual statement of accounts was signed off by the Audit Committee rather than the full Council. She was concerned that all Councillors did not currently have an opportunity to consider the accounts. The Head of Finance said that the Council's constitution currently provided for the accounts to be signed off by the Audit Committee. Any amendments to the constitution would need to be approved by the Council. A member suggested that in the meantime it might be appropriate to ensure that all members of the Council were

invited to attend the meeting of the Audit Committee on 25 June when the Annual Statement of Accounts was to be considered. It would then be possible to consider the different options for considering the Annual Statement of Accounts in the future at the September meeting.

The Committee then considered the content of the Annual Governance Statement in some detail. A member suggested that it might be useful to include more information on the terms of reference of the Audit Committee. The Head of Finance pointed out however that this was set out in the Council's constitution. He would, however, include a link to the constitution together with a statement to the effect that the terms of reference were in line with guidance.

The Deputy Chief Executive Officer answered questions about the action taken to ensure that all staff and members were aware of appropriate codes of conduct. They were also looking at the possibility of obtaining a governance package for e-learning. Once available it would be possible to provide access to Councillors.

A member queried why the Audit Committee had not been given an opportunity to comment on the recent partnership review given the governance issues involved such as the risk register. The Head of Finance said that this could be considered as part of the annual risk review.

The Chair queried the need for more emphasis on the integration of control systems. The Head of Finance explained that these were subject to review by both himself and the monitoring officer. Heads of service were required to sign certificates of compliance.

The Deputy Chief Executive Officer answered questions about the application of the appraisal system in the Council. The last staff survey had indicated a relatively high level of coverage although investigations were taking place into the reasons for any gaps.

The Chair suggested that it might be useful to include additional information about channels of communication with the community. The Deputy Chief Executive Officer said that it would be appropriate to add a sentence to the effect that statutory consultees were supplemented by other forms of consultation. The Audit Manager said that a link to the latest version of the community engagement strategy was included in the evidence section.

Discussion also took place on the need for non executive councillors to be represented on the Housing Improvement and Corporate Improvement and Efficiency Boards. A member pointed out that Scrutiny Committee was involved in monitoring the work of the two boards. The boards had no powers and any changes to the corporate policy framework and budget would need to be agreed by the full Council. It was generally agreed, however, that the absence of any non executive members on the boards gave the appearance that the boards were not open and transparent.

The Chair queried the extent to which non senior officers were involved in the review of the governance framework. The Head of Finance said that whilst senior managers were involved on a formal basis, he would expect them to have discussed relevant issues with their staff.

In reply to a question, the Head of Finance confirmed that budget profiling was undertaken as part of budget monitoring. The Audit Manager pointed out that a review of budget processes was to be undertaken as part of the current internal audit plan.

The Chair referred to the training requirements of the Audit Committee in terms of the new regulations. He said that the District Auditor had offered to provide training on the work of the Audit Commission which would be worth pursuing. A member suggested that more training would be useful on scrutinising the accounts.

In reply to a question, the Head of Finance said that he was satisfied that the issues raised in the qualification in the value for money opinion for 2007/08 had now been addressed. A member referred to the comment in the audit letter to the effect that performance in some key service areas remained modest. She asked how this would be addressed given the current budget constraints. The Deputy Chief Executive Officer referred to work being undertaken to improve services. It would, however, be necessary to make difficult choices in terms of whether the Council should concentrate on providing a few services well or delivering a wider range of services at a more modest level.

The Chair queried the need to say more about local government review given the potential impact on the Council. It was generally agreed that this paragraph should be expanded to indicate that final information had been submitted to the Boundary Committee, and that significant preparations had been made beyond which it would not be sensible to go until a final decision had been taken.

A member asked why reference to the Housing Quality Network's review of landlord services had not been mentioned in the paragraph on Greyhound Opening. The Deputy Chief Executive Officer pointed, however, that it was the Audit Commission report that was most important. Any key differences between their report and that of the Housing Quality Network would have been discussed with the Audit Commission.

The Deputy Chief Executive Officer answered questions about the current position with regard to grant claims relating to NELM. She said that mechanisms were in place to prevent similar problems recurring in the future.

The Committee then considered the evidence of compliance with the code of governance. Councillor Waters commented on proposals for work in the autumn in terms of the development and communication of the Council's purpose and vision. The Deputy Chief Executive Officer answered questions about the way in which complaints were monitored within the Council.

The Chair referred to the need to flag up further the work being done on the environmental agenda including the target for reducing the Council's carbon footprint by 6% per year until 2012. The Audit Manager said that he would amend this section accordingly.

In reply to a question, the Audit Manager said that the monitoring officer produced an annual report which covered issues such as the working relationship and respective roles of members and officers. He would include a link to this report. He would also include a link to the latest quarterly performance report against the reference to the performance management system.

The Audit Manager said that responses to the public consultation on the budget were not available electronically. The application of organisational values was addressed through manager and staff briefings.

The Chair queried whether the evidence on financial standards and regulations should link to the International Financial Reporting Standards. The Audit Manager pointed out, however, that this was already mentioned in the statement.

RESOLVED to –

- (1) invite all members of the Council to attend the meeting of the Audit Committee on 25 June for consideration of the Annual Statement of Accounts;
- (2) review the options for signing off the Annual Statement of Accounts in future years at the September meeting;
- (3) ask the Director of Finance to amend the Annual Governance Statement to take account of the discussion minuted above for final approval at the meeting on 25 June;
- (4) undertake an interim review of the Annual Governance Statement at the December meeting;
- (5) review the governance arrangements for partnerships as part of the annual risk review;
- (6) four members voting in favour with two abstentions, to recommend the Executive to appoint a non executive member from one of the minority parties who is not a member of scrutiny to each of the Housing Improvement and Corporate Improvement and Efficiency Boards.

CHAIR