

# ITEM 4

Time commenced : 6.00 pm  
Time finished : 7.50 pm

## **AUDIT AND ACCOUNTS COMMITTEE 29 JUNE 2006**

**Present:** Councillors Tittley (Chair)  
Councillors Allen, Care, Higginbottom, Ingall, Smalley, Troup  
and West

### **Officers in Attendance:**

Richard Boneham, Head of Internal Audit and Risk Management  
Phil Walker, Assistant Director (Corporate Finance)  
Sarah Turner, Senior Constitutional Services Officer  
Carolyn Wright, Head of Accountancy (for 05/06)  
John Cornall, Assistant Director, ICT and Performance  
Monitoring  
Heather Greenan, Planning and Performance Manager (for  
06/06  
Paul Dransfield, Director of Resources and Housing (for item  
08/06

### **01/06 Apologies for Absence**

Apologies for absence were received from Councillors Jones, S Khan, and Roberts.

### **02/06 Late Items to be Introduced by Chair**

There were no late items.

### **03/06 Declarations of Interest**

There were no declarations of interest.

### **04/06 Minutes of Previous Meeting**

The minutes of the previous meeting held on 6 April 2006 were noted.

## **Accounts and Performance**

### **05/06 Statement of Accounts**

The Committee considered a report from the Director of Resources and Housing detailing the Statement of Accounts 2005/6.

Members raised issues relating to several aspects of the accounts and Carolyn Wright and Philip Walker provided clarification to the satisfaction of the Committee.

Councillor Tittley commented that he appreciated the efforts made by accountancy staff in order to produce the accounts to a much advanced deadline. He asked that consideration be given to increasing the resources available for future years, so that there was more capacity to avoid supplementary papers being issued late and to allow a consideration of issues raised by the outturn position before July.

**Resolved**

- 1. To approve the Statement of Accounts for 2005/6 subject to external audit.**
- 2. To approve the Group Accounts for 2005/6.**
- 3. To approve the formal capital financing determination set out in appendix 4 of the report.**

## **06/06      Best Value Performance Plan**

The Committee considered a report from the Director of Resources and Housing on the best Value Performance Plan 2006/7.

**Resolved**

- 1. To approve the Best Value Performance Plan 2006/7, subject to any amendments agreed by the Chief Executive in consultation with the Leader of the Council.**
- 2. To give the Director of Resources and Housing delegated authority to finalise the Plan for publication by 30 June 2006.**

## **07/06      Review of Financial Procedure Rules**

The Committee considered a report from the Director of Resources and Housing and the Director of Corporate and Adult Social Services on the review of Financial Procedure Rules.

The Committee made amendments to a proposed change in the delegated write-offs limits so that they remain at £10,000 and not be increased to £20,000. The Committee also made changes to Procedure Rule E3 to clarify that there is no delegated virement below Cabinet level on capital schemes other than the specific provisions for variations in capital scheme costs set out in the rules.

**Resolved to recommend that Council adopt a revised set of Financial Procedure Rules, to incorporate the amendments shown in appendix 2 of the report and those amendments made by the Committee, and any further amendments that were consequential to the Council's new departmental restructure.**

## **Audit**

### **08/06 Statement on Internal Control**

The Committee considered a report from the Director of Resources and Housing detailing the Statement on Internal Control.

#### **Resolved**

- 1. To approve the Statement on Internal Control**
- 2. To request the Leader of the Council and the Chief Executive to formally sign the Statement on Internal Control.**

### **09/06 Audit and Accounts Committee – Briefing on the Current Approach to the Audit Role**

The Committee received a report from the Head of Audit and Risk Management that gave a briefing on the current approach to the Audit Role and suggested that this should continue. A key aspect was the practice of calling in for review specific audit reports on a selective basis.

Richard Boneham, Head of Audit and Risk Management, explained the need for members of the Committee to receive training. Training did not necessarily need to take the form of formal training sessions so long as the outcome was that members were familiar with their responsibilities.

Members noted that the membership of the Committee set out in the terms of reference from 2005 differed from the current membership. Officers advised that this was probably outdated and that the subsequent decisions by the Council in 2006 would be likely to take precedence in any case. The Corporate Director Corporate and Adult Social Services could determine the proper interpretation.

#### **Resolved**

- 1. To continue the current practice of calling in specific audits for review, including the presumption that audits where the control rating in 'unsound' or 'unsatisfactory' are to be called in.**

2. **To agree to include a training session for members of the Committee at the next meeting and to include in this training on Risk Management.**
3. **To agree that further training sessions in the form of a briefing to members are organised by the Head of Audit and Risk Management following consultation with the Chair.**
4. **To agree to seek direction from the Corporate Director Corporate and Adult Social Services on the issue of the Committee's membership.**

10/06      'Called In' Audits from the Meeting on 6 April  
2006

**a) IT Disaster Recovery**

The Committee considered a report from the Head of Audit and Risk Management on the audit report on IT Disaster Recovery.

John Cornall, Assistant Director, ICT and Performance Monitoring, presented details of the audit report to the Committee and the actions that were now being taken to address its findings.

Richard Boneham, Head of Audit and Risk Management, advised the Committee that from the information provided by the Head of ICT, he was satisfied that progress was being made to implement the recommendations and suggested actions in the audit report.

**Resolved**

1. **To note the report.**
2. **The Committee requested that a report outlining the milestones should be considered at the September meeting to track progress on both reports. The Chair requested that John Cornall attends the December meeting to update the Committee on progress.**

**b) IT Site Security**

The Committee considered a report from the Head of Audit and Risk Management on the audit report on IT Site Security.

John Cornall, Assistant Director, ICT and Performance Monitoring, presented details of the audit report to the Committee and the actions that were now being taken to address its findings.

Richard Boneham, Head of Audit and Risk Management, advised the Committee that from the information provided by the Head of ICT, he was satisfied that the suggested actions in the audit report were practical and

appropriate to address the weaknesses identified and that the planned implementation was proceeding as expected.

**Resolved**

1. To note the report.
2. The Committee requested that a report outlining the milestones should be considered at the September meeting to track progress on both reports. The Chair requested that John Cornall attends the December meeting to update the Committee on progress.

11/06      Annual Internal Audit Opinion 2005/6

The Committee considered a report from the Head of Audit and Risk Management detailing his opinion on the internal control environment.

**Resolved to note the Head of Audit and Risk Management's opinion on the internal control environment.**

12/06      Internal Audit – Update on Audit Work

The Committee considered a report from the Head of Audit and Risk Management providing an update on audit work.

Councillor Care asked for Risk Management to look in to future energy costs for the Council. It was suggested that Officers look at work already carried out by the Environment Commission.

**Resolved**

1. To note the activity and performance of Internal Audit in the period 1 April 2006 to 31 May 2006.
2. To approve the changes made to the 2006/7 internal audit plan.
3. To call-in the Markets Car Park Income audit for consideration at the next meeting.
4. To receive stand alone reports on the changes to the Audit Plan at future meetings.

13/06      National Fraud Initiative

The Committee considered a report from the Head of Audit and Risk Management on the National Fraud Initiative.

**Resolved**

1. To note the results of the Council's participation in NFI 2004/5.
2. To approve in principle the participation of the authority in the discretionary risk based data matches proposed for NFI 2006/7, subject to the individual systems being robust enough to meet the technical specifications stipulated by the Audit Commission and that the Council could meet the requirements for the fair collection and disclosure of personal data.

## 14/06      Audit Committee Work Programme

The Committee received a Work Programme for the forthcoming meetings.

**Resolved to agree the updated work programme of the Committee set out in appendix 2 of the report.**

MINUTES END