

TORRIDGE DISTRICT COUNCIL

AUDIT & GOVERNANCE COMMITTEE MEETING

Committee Room, Riverbank House, Bideford

25 January 2011

PRESENT: Councillor G E Lee (Chair)
Councillors P Pester, P Pennington, D M Lausen, A. Saywell

ALSO PRESENT: S Johnson – Audit Manager – Audit Commission

K Miles (Solicitor & Monitoring Officer)
G Booth (Head of Finance & Performance)
S Harding (Chief Accountant)
J Quick (Audit Manager)

42. APOLOGIES

Apologies were received from Cllr C B Church and Mr A Ashworth (Non elected Member).

43. MINUTES

The minutes of the meeting held on 30 November 2011 were signed as a correct record.

44. FORWARD PLAN

The Forward Plan was noted.

45. DECLARATIONS OF INTEREST

There were no declarations of interest.

46. AGREEMENT OF AGENDA ITEMS PART I AND PART II

Resolved: That the agenda be agreed as circulated

Vote: For (unanimous)

47. URGENT MATTERS BROUGHT FORWARD BY THE CHAIR

There were no urgent matters.

48. MEMBERS' TRAVEL ALLOWANCES

The Solicitor presented his report and advised Members that the reason for this report stemmed from an audit of the Council's payroll function which highlighted the fact that there was insufficient guidance available to Members explaining what can be claimed.

He added that although there was no evidence of obvious abuse and relatively low sums were claimed it was necessary to have guidance available to protect members.

Lengthy discussion followed and each Member stated their views. This provided the Solicitor with sufficient information to form the basis of draft guidance which will be brought back to the next meeting of this Committee. It was also suggested that the claim form to be amended to include a 'justification' column

The Solicitor left the meeting.

49. AUDIT OPINION PLAN

Mr Johnson presented the plan which sets out the audit work proposed by the Audit Commission to audit of the Council's financial statements 2010/2011.

Mr Johnson referred in particular to the identification of risks and stated that the two main risks was the impact of the economic climate on the valuation of the Council's assets and the requirements of the International Financial Reporting Standards (IFRS).

The Chief Accountant provided a brief explanation of the IFRS.

The fees charged by the Audit Commission were also discussed.

Members agreed to note the content of the Audit Opinion Plan

Vote: For (unanimous)

50. EXTERNAL AUDIT PROGRESS REPORT

Mr Johnson referred to this report and advised Members that work had already started on the 2010/2011 audit plan.

Members agreed to note the content of this report.

Vote: For (unanimous)

51. AUDIT FEE UPDATE

Mr Johnson referred to this update. The breakdown of the 2010/2011 audit fee of £87,487 and the proposed fee for 2011/2012 of £90,250 was discussed in detail. It was also noted that in addition to £90,250 for 2011/2012, a further £20,000 approx. would be charged for certification of grants

The Audit Manager provided an explanation of the work involved in certifying grants and advised that the Council's Housing Administration Grant would cover the majority of the additional charge.

It was noted that with effect from 2012/2013, the Council will be required to appoint its own Auditor.

Members agreed to note the Audit Fee Update

Vote: For (unanimous)

52. **EXTERNAL & INTERNAL AUDIT JOINT WORKING AGREEMENT**

The Audit Manager and Mr Johnson presented this joint report which advised Members of the agreement established between the Council's Internal Audit and the Audit Commission to ensure efficiencies are maximised.

Their respective roles were highlighted and the Audit Manager explained that the main focus of the agreement was to ensure that there are controls in place to ensure the aims of the Council can be achieved. She added that joint working in this respect would result in savings to the Council.

It was proposed, seconded and -

Resolved: That the agreement be acknowledged.

Vote: For (unanimous)

The Chair thanked Mr Johnson for attending the meeting.

53. **LOCAL GOVERNMENT ACT 1972 (AS AMENDED)**

Resolved:

That under Section 100(a)(4) of the Local Government Act (as amended) the public be excluded from the meeting for the following items of business because of the likely disclosure of exempt information by virtue of Paragraph 4 of Part 1 and Paragraph 10 of Part 2 of Schedule 12A of the Local Government Act 1972

(Vote: For – unanimous)

54. REVIEW OF FINANCIAL PROCEDURE RULES AND CONTRACT PROCEDURE RULES

The Audit Manager had previously provided all Members with a copy of the existing Rules showing the changes now proposed. She added that a meeting had been arranged with Mr Ashworth (non-elected Member) to discuss this topic and would refer his comments back to this committee.

Contract Procedure Rules

The Chair went through the document page by page and highlighted points for discussion. A number of amendments were suggested and agreed.

Financial Procedure Rules

The Chair highlighted a number of points for clarification and discussion together with those of Cllr P Collins. As a result of this, a number of amendments were suggested and agreed.

It was proposed, seconded and -

Resolved:

- 1) That the amendments proposed and the updated Financial Procedure Rules and Contract Procedure Rules, as detailed in the report, be commended to Full Council, subject to consultation on the code of conduct and travel arrangements as detailed in the HR implications
- 2) That Full Council be recommended to move the Urgency Procedure to Article 12 of the Constitution.

Vote: For (unanimous)

The meeting commenced at 2pm and closed at 4.35pm

Signed:

Dated: