

TORRIDGE DISTRICT COUNCIL

AUDIT & GOVERNANCE COMMITTEE MEETING

Committee Room, Riverbank House, Bideford

1 March 2011

PRESENT: Councillor G E Lee (Chair)
Councillors P J Pester, D M Lausen, A Saywell, C B Church,

Mr A Ashworth – non-elected Member

ALSO PRESENT: Mr S Johnson (Audit Manager – Audit Commission)
Mr W Rickard (District Auditor – Audit Commission)

J Quick (Audit Manager)
S Harding (Chief Accountant)
C Parkhouse (Corporate Health & Safety Officer)

55. APOLOGIES

Apologies for absence were received from Cllr P Pennington.

56. MINUTES

The minutes of the meeting held on 25 January 2011 were signed as a correct record.

57. FORWARD PLAN

The Forward Plan was noted.

58. DECLARATIONS OF INTEREST

There were no declarations of interest.

59. AGREEMENT OF AGENDA ITEMS PART I AND PART II

Resolved: That the agenda be agreed as circulated.

Vote: For (unanimous)

60. URGENT MATTERS BROUGHT FORWARD BY THE CHAIR

There were no urgent matters.

61. AUDIT COMMISSION PROGRESS REPORT & BRIEFING

Mr Johnson presented this progress report and briefing paper. He referred in particular to the testing of controls which was underway and added that they would shortly be looking at the IFRS re-statement. Reports on these two pieces of work will be presented to this Committee in due course. In addition, they will shortly be looking at the Risk Assessment to fulfil the VFM conclusion.

Mr Johnson then drew Members' attention to the recent Audit Commission publications and referred in particular to the national study "Protecting the Public Purse" which describes the level of fraud detected and prevented since 2009.

Discussion followed on this topic and Cllr Pester suggested the Council might consider obtaining comparable information from other local authorities in order to gauge the success or otherwise the Council's internal controls.

The Audit Manager referred to the National Fraud Initiative – data processing, and the Chair asked to see whether it was possible to compare Torridge's results with those of Teignbridge.

It is was proposed, seconded and -

Resolved: That the content of the Audit Commission Progress Report and Briefing Paper dated 1 March 2011 be noted.

Vote: For (unanimous)

62. ANNUAL REPORT ON THE CERTIFICATION OF CLAIMS AND RETURNS

Mr Johnson explained that this report details the claims and returns audited by the Audit Commission and the cost involved.

The Chair questioned whether Officers could do more to assist thereby reducing costs.

Mr Johnson drew Members' attention to the reduction in costs for 2010. These being much lower than in 2009 due for the fact that since 2009 the Council had made significant improvements which resulted in less testing being required.

It is was proposed, seconded and -

Resolved: That the Certification of Claims and Returns – Annual Report 2009/2010 be

noted.

Vote: For (unanimous)

63. REVIEW OF CORPORATE CODE OF GOVERNANCE

In the absence of the Strategic Director (Resources), the Audit Manager presented this report and explained the necessity of reviewing the Council's Corporate Governance arrangements annually. She added that the Code is based on the framework recommended by CIPFA and aims to reflect the six core principles on which good governance is based.

Cllr Pester questioned whether an annual review was necessary. The Audit Manager advised that there were movements within a year which needed to be captured. Mr Ashworth suggested that rather than present the whole document each year, a list of changes might suffice.

A review of the Code of Governance followed during which the Chair asked whether the Council was actually doing what it says it is. He referred in particular to Principle 1 – “ensuring that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties (Sustainable Community Strategy)”.

Discussion followed on partnerships with the Chief Accountant advising that this is a complex area as there is a difference between organisations that we grant aid and partnerships. To ensure feedback there is a need for formal Service Level Agreements. The Audit Manager advised that the Council has adopted a partnership protocol.

It was proposed, seconded and -

Resolved: That the Code of Governance dated February 2011 be approved.

Vote: For (unanimous)

64. CORPORATE RISK REGISTER

The Corporate Health & Safety Officer presented this report and explained its purpose.

Discussion followed on the content of the Corporate Risk Register. The target scores were discussed in some detail and the difference between the Corporate Risk Register and the Corporate Risk Log was explained. A number of the risks were challenged and the Chair asked if a copy of the Corporate Risk Log could be made available to Members. The Corporate Health & Safety Officer agreed to email a copy of the Corporate Risk Log to Members of the Committee.

It was proposed, seconded and -

Resolved: That the risks detailed in the Corporate Risk Log be noted.

Vote: For (unanimous)

65. QUARTER THREE PERFORMANCE REPORT

The Audit Manager presented this report and explained that one of the functions of an audit committee is to annually approve the annual audit plan and receive quarterly reports on the work of the Audit team in this respect. She advised that there had been some slippage which had been remedied by the engagement of a Contract Auditor and she was hopeful that funds would be available to continue this arrangement in 2011/2012.

Referring to the Performance Report, the Audit Manager highlighted a number of key areas and answered Members' questions.

Cllr Church referred to the compilation of photographic evidence to back up an insurance claim and expressed surprise that this exercise had not been completed.

In conclusion, the Audit Manager referred to the 2010/2011 Performance Table and explained its impact on the Annual Governance Statement.

It was proposed, seconded and -

Resolved: That the Quarter Three Performance Report be noted.

Vote: For (unanimous)

66. AUDIT STRATEGY & AUDIT PLAN

The Audit Manager presented this report and explained its purpose. She explained the move away from process based audits in favour of risk management based on the Corporate Risk Register.

She referred in particular to the Annual Strategic Audit Plan which set out the number of days allocated to each audit universe.

It was proposed, seconded and -

Resolved: That the new Annual Audit Plan, the updated Audit Strategy and the Audit Charter be approved.

Vote: For (unanimous)

67. REPORT ON DE-COMMISSIONING THE AUDIT COMMISSION

Mr Rickard explained that this report presented the Communities & Local Government's submission to the Parliamentary Select Committee setting out why they want to abolish the Audit Commission.

The report was provided for information purposes only.

The meeting commenced at 2.00pm and ended at 3.10pm

Chairman:

Dated: