

## DECISIONS OF THE AUDIT COMMITTEE

31 August 2005

COMMITTEE:

\*Councillor Wayne Casey (Chairman)  
\*Councillor Brian Coleman (Vice-Chairman)

Councillors:

* Claire Farrier	* Daniel Hope
* Mark Langton	Malcolm Lester
* Leslie Sussman	

\*denotes Member present

**1. MINUTES:**

RESOLVED – That the decisions of the meeting held on 18 July 2005, be approved as a correct record.

**2. ABSENCE OF MEMBERS:**

No apologies for absence were received.

**3. PUBLIC QUESTION TIME:**

There were no public questions.

**4. DECLARATIONS OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:**

No interests were declared.

**5. MEMBERS' ITEMS:**

None were received.

**6. INTERIM REPORT TO MANAGEMENT : 2004/05 AUDIT (Report of the Borough Treasurer – Agenda Item 11)**

Paul Dossett and Emma Turner of external auditors Robson Rhodes attended the meeting to present their interim report and discuss its contents with the Committee.

The Committee

RESOLVED – That the contents of the external auditors' report be noted and that the management response to the action plan be approved as set out in Appendix A to Annex 1.

**7. CORPORATE RISK MANAGEMENT (Report of the Chief Internal Auditor – Agenda Item 10)**

Paul Dossett and Emma Turner of Robson Rhodes discussed with the Committee their report on risk management within the authority.

The Committee took particular note of the comments made on

- the steps that still remained to embed risk management within the corporate culture;
- the location of responsibility for risk management within the senior management structure.

Because of the importance of not losing momentum in the full implementation of risk management at all levels within the authority, the Committee

RESOLVED – That the report be noted and the auditors' comments be drawn to the attention of the appropriate Cabinet Member to supplement the information on risk management contained in the Statement on Internal Control (see decision item 8 below).

**8. PREPARATION OF STATEMENT ON INTERNAL CONTROL (SIC) (Report of the Chief Internal Auditor – Agenda Item 6)**

Having already recorded, in decision item 7 above, their wish for the Cabinet Member to be aware of the external auditors' comments on risk management in the context of the SIC, the Committee

RESOLVED – That the draft SIC be noted.

**9. INTERNAL AUDIT PERFORMANCE MANAGEMENT PLAN MONITOR (Report of the Chief Internal Auditor – Agenda Item 7)**

Having reviewed the performance of Internal Audit against improvement targets, as well as the effectiveness and relevance of the monitored targets, members

- expressed concern at the ability of the service to enforce the production of risk assessments in service areas;
- suggested that the target of 100% for follow-up reports might be unrealistic and should be reviewed.

**10. DEBT COLLECTION (Report of the Borough Treasurer – Agenda Item 8)**

Having reviewed and discussed with the Borough Treasurer the position on debt recovery and associated risk management described in his report, the Committee were concerned at the apparent level of debt outstanding to the authority but were unable to judge the full extent of the issue in the absence of information on the proportion of debt written off.

The Committee

RESOLVED - That the Borough Treasurer be requested

1. in future reports to add a column to the relevant tables showing the amount of debt written off
2. to supply the Committee with details of the debt strategy when finalised.

**11. ANNUAL REPORT OF THE CORPORATE ANTI-FRAUD TEAM (CAFT)  
(Report of the Head of the Corporate Ant-Fraud Team, Borough  
Treasurer and Borough Solicitor – Agenda Item 9)**

The Committee

RESOLVED

1. That particular thanks be extended to Dorne Kanareck and her Team for achieving the position recorded in the report
2. That, whilst the allocation of resources was not a matter for the Committee, but needed to be determined through the budget-making process,
  - (a) it was considered that benefits would result from more preventative and proactive work by CAFT, and that
  - (b) the officers be requested to refer to the Business Plan and demonstrate the level of such work that could be achieved given any additional allocation of resources.

**12. AUDIT UPDATE ON MODERNISING CORE SYSTEMS (Report of the Chief  
Internal Auditor – Agenda Item 12)**

The Committee noted and discussed with Paul Dossett and Emma Turner of Robson Rhodes, and with the Director of Resources, the external auditors' latest update, with particular regard to the importance of maintaining the impetus of the MCS project as a means of achieving cultural change.

**13. INTERNAL AUDIT ANNUAL REPORT 2004 – 05 (Report of the Chief  
Internal Auditor – Agenda Item 13)**

In considering this report the Committee were concerned at the number of recorded cases where

- audit recommendations had not been complied with, and
- no explanation had been given by the relevant Head of Service.

The Committee considered it unacceptable for non-compliance to be unsupported by explanation, and accordingly

RESOLVED

1. That the Chief Internal Auditor be instructed to require all Heads of Service who have not recorded reasons for not complying with Audit recommendations to attend the Committee to give such explanations;
2. That, where lack of resources is given as the reason for non-compliance with an Audit recommendation the Cabinet Member concerned be also requested to attend the Committee to discuss the issue.

The meeting closed at 9.45 pm