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BRECKLAND COUNCIL

At a Meeting of the

AUDIT COMMITTEE

Held on Wednesday, 20 February 2008 at 10.00 am in the Norfolk Room, Conference Suite, Elizabeth House, Walpole Loke, Dereham

PRESENT

Mr C.R. Jordan (Chairman) Mr P.J. Hewett
Mr M. Fanthorpe Mr R.G. Kybird

In Attendance

Mark Finch - Chief Accountant
Tim Leader - Deputy Chief Executive & Monitoring Officer
Ian Vargeson - Democratic Services Manager
Elaine Wilkes - Senior Committee Officer

1/08 VICE-CHAIRMAN

RESOLVED that Mr. R. Kybird be appointed Vice-Chairman of the Committee.

2/08 APOLOGIES

An apology for absence was received from Mr. R. Childerhouse due to other work commitments.

3/08 TERMS OF REFERENCE (AGENDA ITEM 6)

A correction to the circulated copy of the Terms of Reference was noted by the deletion of the words "...and be given delegated power to approve the final accounts" in paragraph 10, as this power remained with full Council.

It was explained that the Terms of Reference were as approved by full Council.

The following points were discussed:

- If, in the light of experience, there was felt to be a need to expand the delegation in item 4 for reviewing the authority's programme and processes for achieving value for money, it could be considered at that stage.
- While the terms of reference met CIPFA guidance, there appeared less reference to corporate governance, which the Committee might find it needed to refer back to Council to review in the light of experience.
- A suggestion that item 8 should make a clear reference to "protect against and monitor" counter fraud and corruption was considered to be adequately covered under the wording "To review the Council's arrangements to counter fraud and corruption".
- The question of training was covered under agenda item 9, in

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line with CIPFA guidance. It was not felt necessary to include this as a specific item in the Terms of Reference.

- While item 14 provided for self-assessment, the Auditor's Annual Audit and Inspection Letter would provide an external assessment of the Committee's effectiveness.

RESOLVED that the Terms of Reference be adopted.

4/08 INDEPENDENT MEMBERS (AGENDA ITEM 7)

It was at the Committee's discretion whether or not to appoint independent members or advisers.

Initially, members felt that, if required, the appointment of specialist advisers on an ad hoc basis would be the preferred option rather than permanent co-opted members. Members were mindful of the cost to the Council that would be associated with any such appointments.

The Committee did not think there was an immediate need for such appointments. It was quite likely that the Council had sufficient in-house expertise and that particular external specialist advice might only be required infrequently. However, it was suggested that the Chief Accountant be asked to consult with other authorities to see if there was a database of independent advisers to Audit Committees.

RESOLVED that the Chief Accountant investigate whether there is a database of independent advisers to Audit Committees and to report back to the next meeting for further consideration.

**Mark
Finch**

5/08 WORK PROGRAMME (AGENDA ITEM 8)

The Committee was advised that the next annual Audit and Inspection Letter was due at the end of March.

Risk management, coupled with performance and value for money, was a known existing area of improvement and the Chief Accountant confirmed he could bring a report to give an update to members on how the present risk management process had been developed and implemented and on current progress.

The Deputy Chief Executive advised that one area of review required was in regard to risk management of statutory partnerships, such as the Local Strategic Partnership and the Crime and Disorder Reduction Partnership.

It was explained there were three types of Partnership – contractual, statutory and hybrid (e.g. ARP) and that the approach to risk in each case would not be the same.

The question of value for money was seen as sitting beneath the overall priority of risk management. It was suggested that a review of the risk management process and principal of sources of risk would enable the Committee to decide whether the Council was meeting those risks and whether there were adequate systems in place to achieve value for money. It was not considered to be within the remit of this Committee to look at the specifics of delivery.

In addition to risk management, the Chief Accountant advised that other areas of work would cover Internal Audit Strategic Plan for the year, the annual review of Internal Audit Terms of Reference, plus periodic internal audit monitoring reports.

The Committee also felt it desirable to meet with the external Auditor at an appropriate time. In this connection, it was noted that the present Auditor was about to retire and it was agreed to await the officer's replacement.

RESOLVED that

- (1) the following work programme be agreed:

Next Meeting

- a) Risk Management – General background and current position
- b) Risk Management - Statutory Partnerships – General context and background to existing Partnership Agreements
- c) Internal Audit – Strategic Audit Plan
- d) Annual Review of Internal Audit Terms of Reference
- e) Draft Annual Audit and Inspection Letter

Future Meetings

- f) Risk Management – Value for money
- g) Internal Audit – periodic progress reports

- (2) a meeting with the external Auditor be arranged within three months.

6/08 TRAINING REQUIREMENTS (AGENDA ITEM 9)

The Chief Accountant reported on a proposed introductory training day being organised by the Internal Audit Manager for the various partner authorities to take place in April. The training day was based on a CIPFA course, details of which were tabled at the meeting.

It was felt this would provide a good introduction, which could be followed up with more specific training to meet needs as required.

RESOLVED that the Chief Accountant be asked to make the necessary arrangements as proposed above.

7/08 RESOURCES (AGENDA ITEM 10)

While there was no specific resource for the Committee, it was felt that the Committee's work could be met from existing budget allocations. In the event of any un-budgeted expenditure arising, the Committee had the ability to make a request to the Council to approve funding.

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8/08 FUTURE MEETINGS TIMETABLE (AGENDA ITEM 11)

RESOLVED that

- (1) the preferred usual day and time for meetings be Wednesday at 10.00 a.m.
- (2) as an exception to (1) above, the next meeting be held on Tuesday, 25 March 2008 at 2.15 p.m.
- (3) future meeting dates after the next be arranged on a bi-monthly basis commencing on Wednesday, 11 June 2008 at 10.00 a.m., and a timetable of subsequent dates be reported for the Committee's agreement in due course.

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**Mark
Finch,
Elaine
Wilkes**

The meeting closed at 11.20 am

CHAIRMAN