

## **AUDIT COMMITTEE**

### **Minutes of the Meeting held on 21 June 2011 at 4.30 pm in the Council Chamber, Williton**

#### **Present**

Councillor A Trollope-Bellew .....Chairman  
Councillor E May ..... Vice Chairman

Councillor M Chilcott  
Councillor K Mills  
Reverend V Woods (from Item 8)

Councillor R Lillis  
Councillor P Murphy

#### **Members In Attendance**

Councillor K V Kravis  
Councillor K J Ross

Councillor D D Ross  
Councillor T Taylor

#### **Officers In Attendance**

Section 151 Officer (G. Carne)  
Group Manager – Housing & Community (I. Timms)  
Principal Accountant (S. Plenty)  
Corporate Director (B. Lang)  
Efficiencies and Performance Manager (K. Batchelor)  
Meeting Administrator (H. Dobson)

#### **Also In Attendance**

Peter Brown, Audit Manager, Audit Commission  
Chris Gunn, Group Audit Manager of South West Audit Partnership (SWAP)  
Claire Hodgson, Audit Manager of South West Audit Partnership (SWAP)

#### **A1 Apologies for Absence**

An apology for absence was received from Councillor S Y Goss.

#### **A2 Minutes**

(Minutes of the Meeting of Audit Committee held on 28 March 2011 – circulated with the Agenda).

**RESOLVED** that the Minutes of the Meeting of the Audit Committee held on 28 March 2011 be confirmed as a correct record.

#### **A3 Declarations of Interests**

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

<b>Name</b>	<b>Minute No</b>	<b>Description of Interest</b>	<b>Personal or Prejudicial</b>	<b>Action Taken</b>
Cllr A Trollope-Bellew	All	SCC	Personal	Spoke and voted
Cllr P Murphy	All	Watchet	Personal	Spoke and voted

In addition Councillor Trollope-Bellew declared a prejudicial interest in Item 7, Appointment of Co-opted Member of Audit Committee, as he was a close associate of Reverend V Woods, and left the Chamber for that item.

**A4 Public Participation**

No members of the public had requested to speak.

**A5 Audit Committee Action Plan**

(Action Plan, circulated with the Agenda).

**RESOLVED** that the Audit Committee Action Plan be noted.

**A6 Audit Committee Forward Plan**

(Forward Plan, circulated with the Agenda).

Members noted that risk management would not be included every quarter and that Members would be concentrating on the Statement of Accounts in September. Some of the items would be incorporated into one item, thereby reducing the number of items shown on the forward plan.

**RESOLVED** that the Audit Committee Forward Plan be noted.

**A7 Appointment of Co-opted Member of Audit Committee**

(Report No. WSC 82/11, circulated with the Agenda).

The purpose of the report was to ask the Audit Committee to consider extending the appointment of the existing co-opted member.

The Chairman left the Chamber for this item and the Vice-Chairman presided in his absence.

During the discussion Members noted that the co-opted member was none voting and that as the Committee consisted largely of new Members the continued presence of the co-opted Member on the Committee would be helpful. Further, that when the Committee next considered such an appointment it would be useful to inform the Committee of a potential co-opted Member's background and experience.

**RESOLVED (1)** that the Audit Committee continue with the appointment of Reverend Vincent Woods as a co-opted member for a period of two years, commencing June 2011.

**RESOVLED (2)** that at the conclusion of two years the Audit Committee review the arrangements.

**A8 Roles of Audit and Scrutiny Committees**

(Audit Committee and Scrutiny Committee Terms of Reference, circulated with the Agenda).

The main differences between the Audit and Scrutiny Committees were explained, as advised by the Group Manager - Finance and Central Support Services.

**RESOLVED** that the position be noted.

**A9 Update on Planning Peer Review**

(Report No. WSC 77/11, circulated with the Agenda).

The purpose of the report was to advise Members of the feedback from the Planning Peer Review and provide an update on agreed actions to address feedback and proposed approach.

The Group Manager – Housing and Community, advised that the Planning Advisory Service had conducted a Peer Review of the service in November 2010 and produced a report, attached to the agenda. An action plan was developed from the recommendations of the report. Local Government Improvement and Development had been approached to assist with follow-up support and guidance to help the Council deliver the improvements.

In response to questions the Group Manager – Housing and Community, confirmed that the LDF and Planning teams worked closely together. The Council also worked closely with Exmoor National Park; for example, recently they had jointly arranged for a retail study to be conducted.

Concern was expressed that training had been promised to Parish/Town Councils but had not been delivered. The Group Manager – Housing and Community, confirmed that planning training would be available to Parish Councils through the Planning Advisory Service.

During further discussion Members made the following suggestions:

- When a planning decision went against the opinion of the Parish/Town Council it would be helpful if the planning service provided an explanation for the decision.
- Should Parish/Town Councils express strong objections relating to a planning application, the application be referred to the Committee for determination.
- Any outstanding actions from any reports be entered at the beginning of the agenda.

Group Manager – Housing and Community, advised of the following:

- He noted that the recommendations would be cross-referenced with the action plan for ease of use.
- With regard to concerns relating to the suggestion that pre-application planning advice be paid for, he advised that the Council would take into consideration all aspects of the proposed idea.

- He confirmed that the Council did have a list of outside bodies that officers were involved with. Further that there was a partnership register, which had been reduced over the last 3 to 4 years as work had been prioritised.
- He advised that actions had been added into appropriate service plans, which were monitored at least once a quarter. He planned to bring back an update on the progress of actions to the next meeting of the Audit Committee.

**RESOLVED** that the actions and proposed approach be noted.

#### **A10 Quarterly Review of Internal Audit Activity**

(Quarterly Review of Internal Audit Activity, circulated with the Agenda).

The purpose of the report was to provide a review of the Internal Audit activity plus any significant control weaknesses that remain unresolved.

The SWAP Audit Manager advised that the audits planned for this quarter were progressing.

The Section 151 Officer advised Members that 'reasonable assurance' was deemed to be acceptable in this authority. Any recommendations scoring 4 or 5 would be reported back to the Audit Committee on a quarterly basis.

**RESOLVED** that the Quarterly Review of Internal Audit Activity report be noted.

#### **A11 Internal Audit Annual Report and Opinion**

(Annual Report and Opinion, circulated with the Agenda).

The purpose of the report was to provide a review of the Internal Audit activity for the period April 2010 to March 2011 and an opinion to support the Annual Governance Statement.

The SWAP Audit Manager advised that the report brought together the work conducted by Internal Audit in the year 2010-2011 that supported the Council's Annual Governance Statement.

The Members noted that audits that had been scored with 'partial assurance' would have a follow-up audit conducted within the same year or as soon as practicable thereafter.

The SWAP Group Audit Manager noted the members' request that a better term be used to replace 'none opinion' and to include the dates when follow-up audits would be conducted.

During the course of the discussion Members expressed concern that the 'agreed date of action' column did not confirm whether the actions had been completed. Further, it would be useful to know the reasons why recommendations had not been completed.

**RESOLVED (1)** that this report be brought back to the Audit Committee with the following additional information:

1. the date of when the actions were completed,

2. the name of the appropriate responsible officer to be included in the last column, 'agreed date of action', and
3. the reason why any recommendation has not been completed by the target date.

**RESOLVED (2)** that the Internal Audit Annual Report and Opinion 2010-11 be noted.

#### **A12 Annual Review of Internal Audit**

(Report No. WSC 7911, circulated with the Agenda).

The purpose of the report was to review the effectiveness of Internal Audit, as delivered through SWAP (South West Audit Partnership) during 2010/11.

The Group Manager - Finance and Central Support Services, advised that the Council were required to conduct a review of the effectiveness of its Internal Auditors. They had also been audited by the Audit Commission who had made a few recommendations that were not of a serious nature, and had been implemented.

**RESOLVED (1)** that the Annual Review of Internal Audit be noted.

**RESOLVED (2)** that the Audit Committee conclude that the findings of the review are that the system in Internal Audit is effective.

#### **A13 Annual Governance Statement 2010/11**

(Report No. WSC 7911, circulated with the Agenda).

The purpose of the report was to review the Annual Governance Statement prior to its signature by the Leader of the Council and Chief Executive.

The Group Manager – Finance and Central Support Services, outlined the details in the report and advised on the progress of the actions identified during the last review that was undertaken. Further, that the Council had assessed its overall governance arrangements as adequate.

**RESOLVED** that the Annual Governance Statement 2010/11 be approved.

#### **A14 Annual Audit Fee Letter 2011/2**

(Audit Commission's Annual Audit Fee Letter 2011/12, circulated with the Agenda).

The Audit Commission Audit Manager advised that the Audit Commission usually carried out a fee consultation process early in the year to allow authorities to have figures to put in their budgets. However, it was a little delayed this year due to the announcement that the Audit Commission was to be abolished. The announcement had resulted in significant redundancies and a reduced fee.

In response to questions the Audit Manager advised that two years ago the authority had been recognised as a 'weak' authority under the Corporate Performance Assessment and 'poor' under the Use of Resources regime. Since then the authority had changed and with a new Section 151 Officer and different

arrangements great improvements had been made. Therefore, the Commission had fewer concerns, which was reflected in its workload and subsequently a much reduced fee.

**RESOLVED** that the Annual Audit Fee Letter 2011/12 be noted.

**A15 Audit Commission's Opinion Audit Plan 2010/11**

(Audit Commission's Opinion on the Audit Plan 2010/11, circulated with the Agenda).

The Audit Commission Audit Manager advised that the plan set out the key milestones and reporting. The Audit Commission were required to give an opinion of the statement of accounts and value for money conclusion.

In response to a question the Audit Manager advised that if the Commission were still operating in 2012/13 they would have expected the fees to have been reduced further.

**RESOLVED** that the Opinion Audit Plan 2010/11 be noted.

**A16 Audit Commission Briefing Note**

(Audit Commission's Briefing Note, circulated with the Agenda).

The Audit Commission Audit Manager put into context the abolition of the Audit Commission. He advised that there may be some future announcement at the end of the month on how the work of the Audit Commission will be outsourced. Contracts will be compiled and be put to the Audit Commission's in-house team and external companies. The idea behind the change was that authorities would be able to select the company that carried out the work. The format and shape of the audit had not yet been determined so it would still be a while before authorities were able choose their auditor.

Concern was expressed that other external companies may not understand how local authorities operated.

**RESOLVED** that the Audit Commission Briefing Note be noted.

**A17 Future of Local Public Audit**

(Report No. WSC 81/11, circulated with the Agenda).

The purpose of the report was to present to Audit Committee the Council's draft response to the consultation on the Future of Local Public Audit, for comment prior to submission.

During the course of the discussion it was proposed by Councillor E May that, the Audit Committee approve Appendix A, attached to the report, as the officer's response to the consultation paper on behalf of the Council, and it was seconded by Councillor R Lillis.

There was no further debate and so it was:

**RESOLVED (1)** that the response to question 43 be amended by deleting the first sentence.

**RESOLVED (2)** that, subject to the above amendment set out in Resolution (1), the Audit Committee approve Appendix A, attached to the report, as the officer's response to the consultation paper on behalf of the Council.

**A18 South West Audit Partnership**

**RESOLVED** that Councillor A Trollope-Bellew be appointed to represent West Somerset Council on the South West Audit Partnership Board and that Councillor E May be appointed as a reserve representative.

The meeting closed at 6.54 pm.