

NORTH DORSET DISTRICT COUNCIL

MINUTES OF THE MEETING OF THE ACCOUNTS AND AUDIT COMMITTEE HELD IN THE COMMITTEE ROOM, NORDON, SALISBURY ROAD, BLANDFORD FORUM ON WEDNESDAY 5 MARCH 2008 AT 10.00AM

Present: Councillor S Hitchings (Chairman)
Councillor C Kay
Councillor R Moyle
Councillor I Stewart
Councillor P Webb

Officers: Vic Smith, Financial Services Manager
Debbie Wiltshire, Audit Partnership Manager
Margaret Madgwick, Revenues Manager (for Minute 34)

27. **DECLARATIONS OF INTEREST**

Councillor Stewart declared a personal interest in the item at Minute 36 below as it related to the Payroll service to the Citizens' Advice Bureau as he is a trustee of the Bureau.

28. **MINUTES OF MEETING HELD ON 23 JANUARY 2008**

The Minutes of the meeting held on 23 January 2008 were confirmed as a correct record and signed by the Chairman.

29. **AUDIT REPORT 2006/07**

The Committee considered the Audit Commission's Audit Report for the Council for 2006/07. Members noted that much of the information in the report had been the subject of discussion with Chris Peachy from the Audit Commission at the Committee meeting on 25 September 2007.

In relation to the minor errors and omissions noted during the audit the Financial Services Manager assured Members that these had not impacted on the Council's budgets or accounts.

Resolved

To note the Audit Commission Audit Report 2006/07.

30. **USE OF RESOURCES AUDITOR JUDGEMENTS**

Members considered the Audit Commission's Use of Resources Auditor Judgements 2006/07 report.

The Committee expressed concern that the criteria used by the Audit Commission in the theme scores were not clear and were at times so narrow as to be meaningless. Members were particularly disappointed at the key findings and conclusions in relation to Value for Money where much work had been carried out to compare the costs of services with other authorities and improvements made to

performance information and this was not reflected either in the score or the comments.

The Financial Services Manager assured Members that officers would work with the Audit Commission on the draft report for 2007/08 to ensure that there was a shared perception of the criteria and to make as strong a case as possible for the Council having met the criteria.

Resolved

To note the Audit Commission's Use of Resources Auditor Judgements 2006/07 report.

At this point in the meeting (10.45am) the meeting adjourned for 5 minutes.

31. NOTES FROM THE RISK MANAGEMENT GROUP MEETING

The Committee received the report of the Financial Services Manager informing the Committee of the discussions of the Risk Management Group meeting of 13 February 2008.

Resolved

To note the notes of the meeting of the Risk Management Group held on 13 February 2008.

32. REVIEW OF THE CORPORATE GOVERNANCE CODE

Members considered the report of the Financial Services Manager reviewing the Council's Code of Corporate Governance.

Resolved

That the Committee approve the revised Code of Corporate Governance in principle but that, in the light of Members' concerns regarding the wording and presentation of the revised Code, Councillors Webb, Moyle and Stewart work with the Financial Services Manager to address these concerns and report the revised Code back to the June Meeting of the Committee before it is referred on to full Council.

Reason for Decision

The Council's existing Local Code of Corporate Governance, which was based on the 2001 guidance, needed to be updated to reflect the 2007 guidance.

33. AUDIT REVIEW OF THE CREDITORS SYSTEM

The Committee considered the report of the Audit Partnership Manager updating Members of the outcome of the audit review of the systems and controls in place within the creditor system.

Resolved

1. that the Committee supports the recommendations of the internal auditor;
2. that in relation to the Management Response in the Action Plan for the High Priority Control Weakness (Objective 2):
 - a. it include a reference to this Committee's expectation that, where possible, 100% of orders should be committed on the finance system in advance of the invoice being received;
 - b. the need for compliance with this requirement in the Council's Financial Regulations be highlighted at the Team Leaders' Forum and regular monitoring information on it be provided to Team Leaders;
 - c. once awareness has been raised as outlined in b. above a letter be sent to the Council's suppliers advising that invoices submitted without an official purchase order number will be returned to them;
 - d. the Committee receive monitoring information on progress with this action at each of its meetings, initially for a period of twelve months.

Reason for Decision

To improve the control environment within the Authority.

34. AUDIT REVIEW OF THE HOUSING AND COUNCIL TAX BENEFIT SYSTEM

Members considered the report of the Audit Partnership Manager updating on the outcome of the audit review of the systems in place for the administration and payment of housing and council tax benefits.

The Committee noted that due to staff shortages in the Benefits Team it would not be possible to meet the action date of end of March 2008 for Objective 3. Members agreed that this date be extended to end of July 2008.

Resolved

That the Committee supports the recommendations of the internal auditor.

Reason for Decision

To improve the control environment within the Authority.

35. AUDIT REVIEW OF THE SYSTEM FOR THE ADMINISTRATION AND ACCOUNTING FOR VAT

The Committee received the report of the Audit Partnership Manager updating on the outcome of the audit review of the systems in place for the administration and accounting for VAT.

Resolved

That the committee supports the recommendations of the internal auditor.

Reason for Decision

To improve the control environment within the Authority.

36. **PROGRESS AGAINST AUDIT RECOMMENDATIONS**

Members received the report of the Audit Partnership Manager updating on progress against audit recommendations that have previously been brought before the Committee but not been reported as completed.

Resolved

To note the contents of Appendix A to the report detailing the progress of action against audit recommendations.

Reason for Decision

To keep the Committee up to date with progress against audit recommendations.

37. **NATIONAL FRAUD INITIATIVE 2006-2007**

Members received the report of the Audit Partnership Manager updating on the outcomes of the National Fraud Initiative for North Dorset District Council.

Resolved

To note the report.

The meeting closed at 12.25pm.

CHAIRMAN