

## 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 TUESDAY 31 OCTOBER 2007 AT 10.00AM

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

**Apologies:** Councillor P Webb

**Officers:** Stephen Hill, General Manager, Development and Resources  
Debbie Wiltshire, Audit Partnership Manager

#### 13. **DECLARATIONS OF INTEREST**

Councillor Kay declared a personal interest in Minute 15 as a trustee of the Citizens' Advice Bureau.

Members were not regarded as having a prejudicial interest in Minute 15 as it related to the payment of allowances as Members' Allowances are specified in Section 10(2)(iv) of the Council's Code of Conduct for Members as being able to be disregarded as such.

#### 14. **MINUTES OF MEETING HELD ON 25 SEPTEMBER 2007**

The Minutes of the meeting held on 25 September 2007 were confirmed as a correct record and signed by the Chairman.

#### 15. **AUDIT REVIEW OF PAYROLL ADMINISTRATION**

The Committee considered the report of the Audit Partnership Manager updating on the outcome of audit reviews of Payroll Administration.

The Audit Partnership Manager advised that no high priority control weaknesses had been identified in the audit and outlined the four medium priority control weaknesses found.

In response to concerns expressed by Members regarding the importance of carrying out regular reviews of processes in place across the Council, the Audit Manager undertook to add in to future requirements that there be an automatic review date for all processes.

#### **Resolved**

To support the recommendations of the Internal Auditor in relation to the audit of Payroll Administration.

#### **Reason for Decision**

To monitor the recommendations of Internal Audit.

## 15.1 **Service Delivery Failure by External Payroll Provider**

The Committee was briefed on the recent problems in relation to the processing of the payroll run by the Council's external payroll provider – HRH. The Audit Partnership Manager outlined at what stage a potential problem had been identified and what action had been taken by the Council as a result. She emphasised that HRH had continued to give guarantees that the payroll would be run right up until the day the pay was due to go into the accounts of staff and Members. When it became apparent that this was not going to happen staff and Members were advised. On 25 October (the day pay was due to be received by staff and Members) officers spoke to HRH again and were told that the BACS transmission planned for the previous night had failed. At this stage it was decided to run an emergency BACS payment in-house and this had been successfully completed on 29 October. Given the short timescale available to do this the decision was taken to make payments to the nearest £100 below what was generally received. It was hoped that the pay still owed would be paid shortly. The Council had also put in place an emergency payment scheme. HRH had agreed to cover the costs of any staff or Members who went overdrawn or who were subject to charges as a result.

The Committee was advised that assurances were being sought from HRH that there would be no problems with the November payroll run. The Financial Services Manager would be meeting HRH and would brief Members on the outcome of this.

Members thanked the Finance and Customer Contact Teams for their work in responding to this problem.

## 16. **PROGRESS AGAINST AUDIT RECOMMENDATIONS**

Members considered the report of the Audit Partnership Manager advising of progress against audit recommendations that have previously been brought before the Committee but had not previously 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.

**17. DATE OF THE NEXT AUDIT AND ACCOUNTS COMMITTEE MEETING**

Members noted that the meeting of the Committee scheduled for 12 December had been cancelled. The next meeting of the Committee would take place at **10.00am on Wednesday 23 January 2008.**

**The meeting closed at 11.15am.**

**CHAIRMAN**