

EAST DORSET DISTRICT COUNCIL

AUDIT COMMITTEE

Minutes of the Meeting held on 9th June, 2009 at 7.30 p.m.

Present:

Councillor P. G. Bennett - Chairman
Councillor Mrs A. Warman - Vice-Chairman

Present: Councillors P. G. Cuckston, R. C. Dudman, T. J. Palmer and M. G. Simper.

Also in Attendance: Councillors M. Birr, A. A. J. Clarke, S. G. Flower, Mrs B. T. Manuel, D. Morgan and D. G. L. Packer, and Ms Sophie Trim (Audit Commission)

47. Apologies for Absence

An apology for absence was received from Councillor J. P. Holland.

48. Declarations of Interest

There were no declarations of interest made on this occasion.

49. Minutes

The Minutes of the meetings held on 14th April and 11th May, 2009 were confirmed and signed as a correct record.

50. Presentations by the Public

There were no questions, petitions or deputations received on this occasion.

RECOMMENDATION TO POLICY AND RESOURCES COMMITTEE

51. Treasury Management Annual Report

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Members considered the report on the Council's treasury management operations during 2008/09.

RECOMMENDED that:

(a) the Treasury Management Report is approved; and that

(b) the Policy and Resources Committee be requested to amend the Treasury Management Policy as set out in paragraph 7 of the report as follows:

- i) paragraph (b) of the Approved Organisations for Investment be amended to limit investments in banks in the Irish Republic to money on "call";**
- ii) paragraph (c) of the Approved Organisations for Investment be amended from "at least 50%" to "partly owned";**

iii) paragraph (d)(i) of the Approved Organisations for Investment be amended to include a short term rating of F2 or higher and that paragraph (d)(ii) be deleted; and that

iv) no sector limit be placed.

Voting: Recommendations (a), (b), (b)(ii), (b)(iii) and (b)(iv) – unanimous
Recommendation (b)(i) – 4:1

DELEGATED BUSINESS

52. Audit Review of Economic Development

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

Members received the report of the findings of the Internal Auditor following the review of the systems and controls in place within the Economic Development team.

A discussion was held over the issue of hospitality to staff that was identified in the report. Officers explained the high degree of work by the Economic Development team with partnership organisations outside of the council. The staff employed by the programme identified in the report were funded by external sources of public funds. Officers were of the view that there were rare occasions when staff should be thanked for their work. The programme identified in the report was an exceptional circumstance and the hospitality was recognition of a success story.

Some Members expressed concern that public money had been used in this manner and had not been used for service delivery.

RESOLVED that;

(a) the auditor's opinion be supported; and that

(b) the current Employees Code of Conduct be forwarded to the Joint Consultative Group with a recommendation that officer hospitality should be subject to Member approval.

Voting: 3:2

53. Audit Review of Members Allowances and Civic Expenses.

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

Members received the report on the findings of the Internal Auditor following the review of the systems and controls in place for the administration and payment of Members Allowances and Civic Expenses.

RESOLVED that the auditor's opinion be supported.

Voting: 4:0 (1 abstention)

54. Audit Review of Disabled Facility Grants.

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

Members received the report on the findings of the Internal Auditor following the review of the systems and controls in place for the administration and award of Disabled Facility Grants.

RESOLVED that the auditor's opinion be supported.

Voting: Unanimous

55. Audit Review of Procurement.

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

Members received the report on the findings of the Internal Auditor following the review of the systems and controls in place for the administration of procurement within the authority.

RESOLVED that;

(a) the auditor's opinion be supported; and that

(b) a report on the current status of the implementation of the council's procurement policy, specifically data issues, be presented to a future meeting of this Committee.

Voting: Unanimous

56. Auditor's Annual Report 2008/09

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

Members received the report that reviewed the internal control environment and thanked the staff of Internal Audit for their efforts and the quality of their work through the year.

RESOLVED that the Auditor's Annual Report for 2008/09 be approved.

Voting: Unanimous

57. Annual Governance Statement

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

Members received the report on the Annual Governance Statement for inclusion in the Statement of Accounts 2008/09.

Officers provided an update on efforts to conduct stakeholder consultation on the production of an Annual Report. Meetings were planned with the

external auditor and the county council's communications team about how the questions should be asked and how the consultation should be conducted. A householder survey due for the autumn of 2009 could be a possible vehicle for any consultation.

RESOLVED that the Annual Governance Statement as set out in Appendix 2 be approved.

Voting: Unanimous

58. Review of Private Sector Leasing Scheme - Update

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

Members received the report on the current position on the expenditure for the Private Sector Leasing Scheme. Concerns were expressed that the void periods were getting longer and that remedial action identified had yet to be actioned.

RESOLVED that Members note the current position for the Private Sector Leasing Scheme.

Voting: Unanimous

59. Progress Report on Implementing Audit Recommendations

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'I' to these Minutes in the Minute Book.

Members noted the progress made by service managers in implementing recommendations agreed with both the internal and external auditors. Following advice from officers, Members updated action points up to the end of June, 2009.

RESOLVED that Members note the content of the report and agree any variations to previously agreed action dates where necessary.

Voting: Unanimous

60. Audit Programme 2009/2010

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'J' to these Minutes in the Minute Book.

Members were advised on the progress against the audit timetable.

RESOLVED that the Committee approve the updated Audit Review Timetable.

Voting: Unanimous

61. Comprehensive Area Assessment

Members received an update from the Audit Commission on the process for Comprehensive Area Assessment (CAA) across Dorset authorities.

It was explained that the aim of CAA was to bring together all inspectorates of all public authorities to form a comprehensive view of a given area. The final report would consist of two principal sections:

1. An area assessment and
2. An organisational assessment of each individual authority that would incorporate a use of resources assessment and a section on managing performance that would replace the direction of travel statement. Input would be made by relevant partner inspection organisations and the external auditor.

The area assessment would look at three key questions:

- a) How well did a council's priorities reflect local needs
- b) How well did a council deliver against objectives and
- c) What would be the prospects for future improvement

The national report deadline would be the end of November but Members were reminded that this was an on-going process.

Current work had included provisional meetings with the Dorset Strategic Partnership and theme leads. This was to review the local area agreements and Shaping the Future documents to assess current key targets. Update meetings would then be held with the Community Strategy Delivery Group and the Joint Management Team by the middle of June.

The Audit Commission offered to return to give a further update to this Committee later in the summer.

62. Moors Valley Car Park Machines

At the request of the Chair, Members were given an oral update on the service contract for the car parks at Moors Valley Country Park.

The Head of Community Services had a meeting with the Managing Director of the company who manufacture and service the car park machines at Moors Valley. It was agreed to upgrade the service level agreement to level 2 and to lower the annual maintenance charge currently paid. Members were advised that the service contract included user support for the back-office computer program that controls the car park system. Other companies would be able to service the pay machines and barrier systems but Moors Valley would always have to contract with the manufacturers for software support.

In addition, the Operations Supervisor (car parks) would be contacting other car park operators to determine if this was a fair price, either for those car parks serviced by the manufacturers or by third parties. Internal audit would also be asked to audit the hoppers of the car park machines during the next service visit.

The Head of Community Services would prepare a report for July's committee to seek approval for these arrangements.

The meeting ended at 10.05 p.m.

CHAIRMAN