



Lewes District Council

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Audit Committee

Minutes of a meeting of the **Audit Committee** held in the **Warren Room, Lewes House, 32 High Street, Lewes** on **Monday, 19 March 2007** at 2.30pm

Present: Councillors J M Harrison-Hicks (Chair), C P Bishop, R C S Brown, J F Daly and K G Davies

Officers attending: David Heath, Head of Audit and Performance
David Feintuck, Committee Officer

The meeting was preceded by a councillors' training session on Risk Management presented by the Head of Audit and Performance. A copy of the presentation is included in the Minute Book.

	Minutes	Action
23	Minutes The Minutes of the meeting held on 4 December 2006 were approved as a correct record and signed by the Chair.	
24	Apologies for Absence Apologies for absence had been received from Councillor J H Webber and Richard Smith, Audit Commission.	

25 Progress Report on Decisions taken by the Audit Committee

The Committee considered Report No 52/07 which updated the Committee on the progress made relating to the decisions of the Audit Committee. The Head of Audit and Performance reported that the IT Section had been working with its network consultant on a free-of-charge pilot scheme for Internet Telephony. The pilot would conclude in June, after which the Head of Business Services would determine whether there was a technical and business case for wider deployment within the Council. It was noted that any financial, environmental or risk implications of matters mentioned in the progress reports would be fully detailed should recommendations be made at a future date.

26 Changes to the CIPFA Code of Practice for Internal Audit in Local Government and Accountant Audit Regulations

The Committee considered Report No 53/07 which informed councillors of the key changes in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit 2006 and the ways in which the changes would impact on the Council's Internal Audit Section and of the changes to the Account and Audit Regulations 2003 (amended 2006).

The Head of Audit and Performance reported that the Division continued to keep up-to-date with latest best practice. Paragraphs 11 and 12 dealt specifically with the audit of partnerships which provided services to the Council, for example, Wave Leisure Trust Limited, to ensure the assurance arrangements of such service providing partnerships were satisfactory.

Resolved:

26.1 That the proposed amendments to the working methods, documentation and the reporting arrangements of the Internal Audit Section arising from the changes be agreed; and

26.2 That the remainder of the Report be noted.

27 Interim Report on the Council's Systems of Internal Control 2006/2007

The Committee considered Report No 54/07 which informed councillors of the internal work of the Audit and Performance Division for the current year 2006/2007 and on the adequacy and effectiveness of the Council's systems of internal control during that period. The Head of Audit and Performance stated that his opinion was that the overall standards of internal control were satisfactory (paragraph 3.1 of the Report).

In response to councillors' questions, the Head of Audit and Performance stated that the Audit Commission auditors were subject to quality control and review and auditors changed periodically. As a result, the Council's auditors for the years 2007/2008 and following would be Pannell Kerr Foster who would replace the Audit Commission's own auditors.

Councillors expressed thanks to the Head of Audit and Performance and the Internal Audit staff for their success in maintaining a close relation between the plan and actual audit days.

Resolved:

- 27.1** That the opinion of the Head of Audit and Performance that the overall standard of internal control was satisfactory during the first eleven months of 2006/2007 be noted, and
- 27.2** That the remainder of the Report be noted.

28 Annual Audit Plan 2007/08 and Strategic Audit Plan 2007/08 - 2009/10

The Committee considered Report No 55/07 which presented to councillors the Strategic Audit Plan for the period 2007/08 to 2009/10 and sought agreement for that Plan and the Annual Audit Plan for 2007/08. The Head of Audit and Performance noted that there was a new requirement derived from the CIPFA Code of Conduct that the Annual Audit Plan be detailed separately, although this practice had already been adopted by the Council. It was hoped that arrangements could be made with the Council's new auditors (paragraph 4.5 of the Report and Minute 27 above) to continue Internal Audit's work on Housing Benefit Grant Claims which had been carried out successfully on behalf of the Audit Commission at a saving to the Council.

In response to councillors' questions, the Head of Audit and Performance stated that he considered Internal Audit staffing (paragraph 7.1 of the Report) adequate for the task in hand given the Council's overall level of resources and considering benchmarking data from neighbouring councils.

The Head of Audit and Performance stated that the Business Centre at Denton Island would be examined during 2007/08 within the budget for partnerships.

Resolved:

- 28.1** That the Annual Audit Plan 2007/08 (Appendix 1 to the Report) be agreed; and
- 28.2** That the 3 year Strategic Audit Plan 2007/08 to 2009/10 (Appendix 2 to the Report) be agreed.

29 Vote of Thanks

Resolved:

- 29.1** That the Chair of the Committee, Councillor Harrison-Hicks, and the Head Audit and Performance and his staff be thanked for their work on behalf of the Committee.

30 Date of Next Meeting

The next scheduled meeting of the Committee would be held on Wednesday 27 June 2007 (*please note day*) at 2:30pm in the Warren Room, Lewes House, Lewes, to be preceded by a training session on Final Accounts prior to the meeting.

The meeting ended at 3.55pm

J M Harrison-Hicks
Chair