

REPORT OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Meetings Held on 21st September and 19th October, 2007

Membership:

Councillors: A.C.R. Chappell,(Chairman) P Cutter, GFM Dawe, M.J. Fishley, J.H.R. Goodwin, R.H. Smith and A.M. Toon.

USE OF RESOURCES ACTION PLAN

1. The Committee has noted a report from the Director of Resources which updated Members on the Use of Resources Action Plan. The detailed Action Plan had been submitted to the Committee on 13th April 2007 which highlighted specific actions to be taken and timescales.

UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS FROM SPECIAL INVESTIGATIONS

2. The Committee has considered two reports which has provided updates on the progress with implementing the recommendations which has been approved by Corporate Management Board to improve the internal control environment as a result of lessons learned from special investigations carried out by Audit Services in 2005/06. The Committee have broadened the brief to encompass further irregularities and are looking to ensure that follow up action is completed.

DIRECTOR OF RESOURCES REPORTS

3. The Committee has considered a report regarding the financial governance arrangements within ICT and Customer Services Division. The report referred to a recent audit investigation into travel and subsistence expenses within the Division together with a review on the use of contractors. A progress report has also been received which has given an update on progress with implementing the action plan agreed by Cabinet in response to The Director of Resources special report on financial governance issues in ICT and Customer Services. The Committee was assured that the action plan is being implemented. Additional Committee meeting dates were agreed to keep Members fully briefed in respect of investigative issues relating to ICT and Customer Services Division and the Committee requested that certain additional procedures be implemented in with regard to officers expenses.

UPDATE ON STATEMENT OF ACCOUNTS 2006/07 AND STATEMENT ON INTERNAL CONTROL

4. The Committee has received a report which has given advice on changes to the Statement of Accounts for 2006/07 resulting from the Audit Commission's work since the last meeting of the Committee held in June.

ANNUAL GOVERNANCE LETTER

5. The Annual Governance letter has been considered and approved by the Committee. The letter has provided a summary of the work the Commission has carried out during the 2006/07 audit of accounts for the Council, the conclusions the Commission has reached and the recommendations made to discharge its statutory audit responsibilities to those charged with governance. The Committee also received a report which has given details of the draft action plan in response to the

recommendations which has been noted.

INTERIM ASSURANCE REPORT 2007/08

- 6 The Committee has considered two reports, the first has been noted and has provided Members with a first interim Assurance report for 2007/08 which provides an update on progress with significant internal control issues identified in the Assurance report for 2006/07 and identifies the significant internal control issues identified to date in 2007/08, and the second report has updated the Committee further on progress on these matters. The Committee has requested a further update on timescales on one of the issues.

SECTION 106 PLANNING OBLIGATIONS

- 7 The Committee has considered a report which summarised audit findings on the Council's arrangements for Section 106 obligations. The Committee has requested that further information be presented to fully brief Members on protocols and procedures with regard to the agreements.

8 CAR LOANS

The Committee has received a report which has been noted which has provided a summary of audit findings on the Council's arrangements for employee car loans.

A.C.R. CHAPPELL
CHAIRMAN
AUDIT AND CORPORATE GOVERNANCE COMMITTEE

BACKGROUND PAPERS

Agenda papers of the meetings of the Audit and Corporate Governance Committee held on 21 September and 19 October 2007.