

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 7</b>
<b>30 MARCH 2009</b>	<b>PUBLIC REPORT</b>

Committee Member(s) responsible:	Councillor Hiller, Chair of Audit Committee	
Contact Officer(s):	John Blair, Head of Strategic Finance Steve Crabtree, Chief Internal Auditor	☎ 384 564 ☎ 384 557

## **FEEDBACK AND UPDATE REPORT**

### **1. ORIGIN OF REPORT**

This is a standard report to Audit Committee which forms part of its agreed work programme.

### **2. PURPOSE AND REASON FOR REPORT**

This standard report provides feedback on items considered or questions asked at previous meetings of the Committee. It also provides an update on any specific matters which are of interest to the Committee or where Committee have asked to be kept informed of progress.

### **3. FEEDBACK RESPONSES**

**Appendix A** sets out the outstanding feedback items. Following approval by Committee the identified actions will be transferred to the record of Actions completed for the municipal year.

## AUDIT COMMITTEE: RECORD OF ACTION TAKEN (FEEDBACK REPORT)

MUNICIPAL YEAR: MAY 2008 - APRIL 2009

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
2 June 2008	Audit Committee Handbook	Include Audit Committee Handbook in committee papers, and provide supporting report	Steve Crabtree	On agenda 30 June 2008	30 June 2008
	Annual Governance Statement 2007 / 2008	Clarification required on the "test case" disrupts policy comment in relation to smoking.	Steve Crabtree	As part of the supporting documentation to produce the Annual Governance Statement, committee received the Assurance Framework (Appendix B on that report) which mapped out the key risks within the organisation and how these were being addressed / mitigated.  One priority within the council, as part of the " <i>achieve the best possible health and well being</i> ", is to increase the access to smoking cessation services and a risk identified to deliver this was " <i>legal test case disrupts policy</i> ". This related to a legal challenge to the government's smoking ban in England which was launched in the High Court in June 2007. Freedom to Choose lodged a petition for a judicial review of the legislation at the Royal Courts of Justice citing Article One of the First Protocol of the European Convention on Human Rights which assures the right to peaceful enjoyment of possessions. It also points to Article Eight which covers the right to respect privacy. If the challenge was successful, it could have a material impact on our policy statement.	30 June 2008
	Update and Feedback report	Send Cllr Miners a copy of the feedback report	Steve Crabtree	Report was emailed to Cllr Miners on 3 June, and acknowledgement received back same day.	30 June 2008
	Annual Committee Work Programme	John Blair to organise training session for new Councillors.	John Blair	Will be prior to next meeting on 30 June 2008 (18.30 start) for all Members. A separate session has been organised with new Members for 25 June 2008.	30 June 2008

## AUDIT COMMITTEE: RECORD OF ACTION TAKEN (FEEDBACK REPORT: continued)

MUNICIPAL YEAR: MAY 2008 - APRIL 2009

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
30 June 2008	-	No items referred for consideration / explanation	-	-	Not applicable
1 Sept 2008	-	No items referred for consideration / explanation	-	-	Not applicable
23 Sept 2008	External Audit Report To Those Charged With Governance 2007/2008 ISA260	To provide some more information regarding the number of over depreciated assets.	Mandy Bretherton John Blair	External Audit have made reference to depreciated assets within their Management Letter report which is submitted to Audit Committee on 9 February 2009.	9 Feb 2009
	Statement Of Accounts And Summary Accounts 2007/2008	To provide examples of trade debt over a year old	John Blair	Debt management and processes are incorporated into the training schedule on 9 February 2009.	9 Feb 2009
3 Nov 2008	Risk Management Update	Strategic Risk Register to be added as a future agenda item	Mandy Bretherton	Has been factored into the agenda for 9 February 2009.  While an update report was provided on 9 February 2009, the detailed profile was not included. This has subsequently been reassigned to 1 June 2009.	
	Audit Committee Work Programme 2008/09 Including Any Training Needs	Organise a training session for the Committee involving Debt Management and Write Offs	John Blair	Debt management and processes are incorporated into the training schedule on 9 February 2009.	9 Feb 2009

## AUDIT COMMITTEE: RECORD OF ACTION TAKEN (FEEDBACK REPORT: continued)

MUNICIPAL YEAR: MAY 2008 - APRIL 2009

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
9 Feb 2009	Agenda Item 4: External Audit Reports	To provide further explanation in relation to the leasing arrangements identified in the <i>Report to Management</i> Report on Industrial Units.	Steve Crabtree	<p>The item has been referred to Andrew Edwards, Head of Strategic Property.</p> <p>Initial response received. Whilst it is not clear from the report which site this refers to, clarification has been sought from External Audit to the exact site. Furthermore, the lease arrangements will be obtained from Legal Services. The issues are in relation to the rental agreement. From information currently available:</p> <ol style="list-style-type: none"> <li>1. PCC sold the asset(s) to a third party;</li> <li>2. The Council rents the asset back from the third party. This is done by paying a percentage of the rent due, rather than the rent paid; and</li> <li>3. The Council rents out the units to others.</li> </ol> <p>Once the lease documents have been obtained, there is a clear need to review. By paying a percentage of rent due rather than that collected, the Council could be hit by unit vacancies. With the arrangements having been established almost 30 years ago, there are few, if any, officers around who may have been involved in the lease.</p>	
9 Feb 2009	Agenda Item: 5 International Financial Reporting Standards	Members requested regular update reports throughout the year together with key timelines on its implementation.	John Blair	This has been factored into the Work Programme for 1 June 2009.	
	Agenda Item: 6 Risk Management Update	Request for a training session on the impact of the credit crunch and the asset disposal programme	John Blair	This has been factored into the Work Programme for 1 June 2009.	
	Agenda Item: 6 Risk Management Update	Request for the detailed risk profile to be brought to a future meeting of the Committee	John Blair	This has been factored into the Work Programme for 1 June 2009.	