

AUDIT COMMITTEE

6.00 P.M.

19TH OCTOBER 2005

PRESENT:- Councillors Malcolm Thomas (Chairman), John Gilbert, Jon Barry,
David Whitaker and Geoff Wilson

Apologies for Absence

Councillor Keith Budden

Officers in attendance:-

Roger Muckle	Corporate Director (Central Services)
Nadine Muschamp	Head of Financial Services
Gillian Noall	Head of Administration Services
Derek Whiteway	Internal Audit Manager
Bob Bailey	Principal Auditor
Lynne Armistead	Risk and Insurance Manager
James Doble	Principal Democratic Support Officer

8 MINUTES

The minutes of the meeting held on 27th July 2005 were agreed as a true and accurate record.

9 RISK MANAGEMENT PROGRESS AND PROPOSED WORK PLAN

The Risk and Insurance Manager made a presentation to Members on the progress that the Council had made in terms of risk management and the proposed work programme that had been agreed.

In the course of discussion following the presentation the following issues were raised, that the Council needed to avoid being unnecessarily risk adverse, that some consideration needed to be given to the risks the Council faced by not doing a piece of work.

It was noted that steps had already been taken to embed risk management in decision-making and that risk management demonstrated to ensure that the Council's insurance premium stayed low.

Resolved:

- (1) That the progress made to date with the risk management programme be noted.
- (2) That the amended work plan be approved.

10 DEMOCRATIC RENEWAL OF FULL COUNCIL: THE WAY FORWARD

The Head of Administration Services presented a report which set out different options for the democratic renewal of full Council. Members were asked how they wished to

take forward this issue. It was suggested that the most appropriate way forward would be for the report to be referred to political groups for their consideration and then with these views brought back to a special meeting of Audit Committee for their consideration. All members would be invited to this special meeting which would be open to the public.

Resolved:

That a special meeting of the Audit Committee be convened to which all Members and the general public will be invited to contribute at an informal session. The Audit Committee will then convene a formal meeting to agree recommendations for Council's consideration.

11 CONSTITUTIONAL REVIEW - PROPOSED AMENDMENTS

The Head of Administration Services outlined that this report contained a series of constitutional amendments that had emerged since the last review of the constitution was carried out sometime ago. The amendments had originated from a number of sources including issues raised through the democratic process, officer review and best practice.

The Committee considered the amendments in some detail.

It was resolved unanimously that the recommendations as set out in the report be agreed subject to the following amendments:

Part 4, Section 3 – Budget and Policy Framework Procedure Rules and Part 4 Section 5 – Overview and Scrutiny procedure Rules

That this be amended to the Chief Executive in consultation with the Chairman of Overview and Scrutiny etc.

Part 4, Section 4 – Cabinet Procedure Rules

That it be agreed that key decisions can be delegated to Cabinet Committees.

Part 4, Section 5 – Overview and Scrutiny Procedure Rules

That it be agreed that in future, all decisions subject to a recommendation following a Call-in within the budget and policy framework (whether delegated to an Officer, Individual Cabinet Member or full Cabinet), be referred to full Cabinet for reconsideration."

Resolved:

That the following amendments to the Constitution be referred to Council for their consideration as detailed in Appendix A to the report:

- (a) Part 1, Article 12.01 – clarification of officer designations
- (b) Part 3, Section 1 – provision for urgent decisions by Council
- (c) Part 3, Section 4, Licensing Act Committee Terms of Reference
- (d) Part 4, Section 1 - Rule 2 – order of agenda items

- (e) Rule 10 – extension of public questions to Committee Chairmen
- (f) Addendum 2 – extension of provision to refer address
- (g) Part 4, Section 2, Rule 17 – correction to align with previous amendment
- (h) Part 5, Section 1 to include reference to officers writing to the media.

With the addition of:

Part 4, Section 3 – Budget and Policy Framework Procedure Rules and Part 4 Section 5 – Overview and Scrutiny procedure Rules

That this be amended to the Chief Executive in consultation with the Chairman of Overview and Scrutiny etc.

Part 4, Section 4 – Cabinet Procedure Rules

That it be agreed that key decisions can be delegated to Cabinet Committees.

Part 4, Section 5 – Overview and Scrutiny Procedure Rules

That it be agreed that in future, all decisions subject to a recommendation following a Call-in within the budget and policy framework (whether delegated to an Officer, Individual Cabinet Member or full Cabinet), be referred back to full Cabinet for reconsideration.”

12 FREEDOM OF INFORMATION

The Head of Administration Services updated Members of the progress that had been made in terms of Freedom of Information. It was noted that all requests had been dealt with within the specified time scales and that the act had not generated as many problems for the Council as may have been envisaged. It was noted that one appeal for information following a request had been upheld.

Resolved:

That the report be noted.

13 STATEMENT OF ACCOUNTS

The Head of Financial Services outlined that the audit of the accounts was nearly complete, that amendments were still being agreed and the Council expected to receive an unqualified opinion. It was noted that they would need to be published by the end of October and that the Committee would receive the outcome from the Audit Commission.

Resolved:

That the position regarding the audit of the 2004/05 Accounts be noted.

14 ANNUAL REPORT AND CONTROLS ASSURANCE STATEMENT 2004/05

The Internal Audit Manager outlined the report and highlighted that due to a number of issues including staffing and having carried out two lengthy investigations some areas of work had not been progressed as much as had been expected, however these would be

picked up in future audit work.

Resolved:

- (1) That the report be noted.
- (2) That the Controls Assurance Statement be considered in relation to the proposed Statement on Internal Control & Corporate Governance.

15 STATEMENT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

The Internal Audit Manager highlighted that this report was the Council's own self-assessment of where it was in terms of Internal Control and Corporate Governance. Following the assessment an action plan was drawn up. It was noted the assessment was at 31st March 2005 and much progress had already been made in implementing the action plan. It was noted that currently performance management was still viewed as the area requiring greatest attention.

Resolved:

- (1) That the Statement on Internal Control and Corporate Governance for 2004/05 as set out at Appendix B of the report be approved for signing by the Leader of the Council, Chief Executive, Section 151 Officer and Monitoring Officer.
- (2) That the contents of the draft Action Plan (as set out at Appendix C of the report) and proposals to incorporate actions in the Corporate Improvement Plan be endorsed.

Chairman

(The meeting ended at 7.00 p.m.)

**Any queries regarding these Minutes, please contact
James Doble, Administration Services - telephone (01524) 582057 or email
jdoble@lancaster.gov.uk**