

REPORT OF THE ADMINISTRATION COMMITTEE 3 NOVEMBER 2005

(Chairman: Councillor Merrick Cockell
Vice-Chairman: Councillor Daniel Moylan)

COUNCIL - 30 NOVEMBER 2005

1. ESTABLISHMENT OF AN AUDIT COMMITTEE

1.2 The attached report (Appendix 1) has been presented to the Overview and Scrutiny Committee (OSC) on Cabinet and Corporate Services, which currently has responsibility for most audit matters, and to the Cabinet. Both Committees have endorsed the principle of establishing an Audit Committee. The Cabinet has recommended that the Council should invite external representation on the Committee, although this should not delay the Committee's establishment. The OSC did not support external membership.

1.3 If an Audit Committee is created it will require amendments to the Constitution to:

- Transfer responsibility for approving the external Audit Plan and approval of the Statement of Accounts from the Administration Committee
- Transfer responsibility for review of internal audit arrangements from the OSC
- Establish the responsibility for oversight of the Council's risk management arrangements to the new Committee. These are not currently addressed explicitly within the Constitution although the function has been covered by the OSC as part of its general remit for corporate services.

1.4 The report at Appendix 1 outlines the proposed terms of reference for an Audit Committee. The Chartered Institute of Public Finance and Accountancy (CIPFA) is expected to issue professional guidance shortly, in consultation with the Audit Commission, and it is suggested that the Council may wish to finalise the terms of reference when further professional guidance is published.

Legal Implications

1.5 It is not a legal requirement to have an Audit Committee.

Financial Implications

- 1.6 There will be some costs to support the Committee, given that existing capacity is stretched. There may also be costs of allowances payable to any external member. Whilst co-opted members of Council Committees are normally paid annual allowances paid at approximately £100 per meeting, as recommended by the Independent Panel, it has been suggested that the expertise expected of an independent Audit Committee member may require payment of an annual allowance of a higher figure.

Recommendations

- 1.7 The Administration Committee recommends that the Council:
- (i) Initially establish an Audit Committee, to take effect from March 2006
 - (ii) Seek an external member for the Committee
 - (iii) Note that detailed changes required to the Constitution will be reported to Administration Committee on 16 January 2006 and thence to Council on 25 January.

2 DISAPPLICATION OF LOCAL AUTHORITY PLANS AND STRATEGIES

Introduction

- 2.1 Since the Local Government Act 2003 came into force, the Government has taken steps to remove the requirement to produce statutory plans and strategies in many cases.
- 2.2 Those authorities classified as "excellent" under the Comprehensive Performance Assessment are only required to produce two statutory plans:
- Community Strategy
 - Best Value Performance Plan

Plans and Strategies

- 2.3 On 1 February the Local Authorities Plans and Strategies (Disapplication) (England Order 2005) came into force.

The Order provides that local authorities that have been classified

as "excellent" under the CPA do not have to produce the following seven plans and strategies:

- (a) Homelessness Strategies under the Homeless Persons Act 2002.
- (b) Home energy conservation reports under the Home Energy Conservation Act 1995.
- (c) Youth Justice Plans under the Crime and Disorder Act 1998.
- (d) Rights of Way Improvement Plans under the Countryside and Rights of Way Act 2000.
- (e) Local Transport Plan under the Transport Act 2000.
- (f) Bus Strategy under the Transport Act 2000.
- (g) Air Quality Plan under the Environment Act 1995.

The previous obligation to produce a community care plan under the National Health Service and Community Care Act 1990 was removed by a previous Order.

The Council's Constitution

2.4 The following plans and strategies set out in Part 2 - Article 4, paragraph 4.04 (a) on page 22 of the Constitution are no longer required.

2. Annual Library Plan
7. Community Care Plan
13. Housing Strategy
14. Quality Protects Management Action Plan
17. Youth Justice Plan

2.5 The following plans and strategies would need to be added to the Constitution:

- Licensing Policy
- Local Development Framework in place of the Unitary Development Plan

Recommendations

2.6 The Council is **RECOMMENDED** to:

- a) agree to the removal of the following plans from the Constitution:

Annual Library Plan
Community Care Plan
Housing Strategy
Quality Protects Management Action Plan
Youth Justice Plan

- b) agree to the addition of the following to the Constitution:

Licensing Policy
Local Development Framework

**MERRICK COCKELL
CHAIRMAN, ADMINISTRATION COMMITTEE**