

By: John Simmonds, Cabinet Member for Finance and Business Support  
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To: Governance and Audit Committee – 18 April 2012

Subject: **Audit Commission: External audit report on objection to 2010/2011 Accounts**

Classification: Unrestricted

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**Summary:** The attached report from the Audit Commission details their conclusions in relation to an objection to the Council's accounts for the year ended 31 March 2011.

## **FOR INFORMATION**

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### **Introduction**

1. The Audit Commission received an objection to the Council's Accounts for the year ended 31 March 2011 relating to the payment of travelling expenses and other associated travelling costs to Members. The objector asked the District Auditor to issue a public interest report.
2. The District Auditor has now determined the objection and communicated the decision and the reasons for it to the Objector and the Council.

### **Purpose of this report**

3. The attached report provides a summary of the Audit Commission's findings and the Council's response to the issues identified. The report details the scope of work undertaken, the audit approach followed and the conclusions reached.

### **Conclusions reached by the Audit Commission**

4. In summary, the Audit Commission has not found any evidence of fraud or deliberate abuse by any Member, nor evidence of deliberate circumvention of the Council's policies for personal gain.
5. The report does conclude that the review has highlighted some weaknesses in the Council's arrangements for Members' allowances and expenses, including the operation of the County Car Scheme. The Audit Commission has confirmed that the Council has responded quickly to the weaknesses identified.
6. Paragraphs 6 and 7 of the attached report confirm these conclusions.

7. The cost to the Council of this objection is £27k, plus KCC officer time.

**Recommendation**

8. Members of the Committee are asked to note the findings in the attached report.

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