

21 May, 2008

The Report of the Audit Committee

The Audit Committee met on Thursday, 24 April 2008. Present:- County Councillor Roger Harrison-Topham in the Chair. County Councillors Bernard Bateman MBE, Elizabeth Casling, Bill Houlton, Brian Marshall, Christopher Pearson and Melva Steckles. Also Jim Clark and John Goodfellow (Independent Members).

Also in attendance: County Councillor Carl Les.

1. Audit Committee Terms of Reference: The Audit Commission has recently updated its 'Statement of Responsibilities of Auditors and of Audited Bodies'. The revised Statement is effective from 1 April 2008 and therefore applies to 2008/09 audits. The Audit Committee considers that the Statement provides a very helpful explanation of the responsibilities of the External Auditor as well as the County Council. The Statement also confirms that the Audit Commission will require the North Yorkshire Pension Fund (NYPF) to be a separate entity for the purposes of final accounts, etc. As the County Council's Pension Fund Committee covers all aspects of the NYPF, it will not be able to act in itself as an "Audit Committee" in the independent way that the Audit Committee can act in relationship to the Executive and County Council. At present the accounts of the NYPF are included within the accounts of the County Council but henceforth they will have to be presented as a separate document that will be subject to its own audit and governance statement, etc.

At present the Terms of Reference of the Audit Committee, as set out in the County Council's Constitution, include the following:-

"4. In respect of **financial statements**

- to approve the annual Statement of Final Accounts
- to reserve and review the Annual Audit Letter and associated documents issued by the External Auditor
- to approve changes in accounting policy"

The Audit Committee suggests that it should perform this function for both the Pension Fund and the County Council and therefore proposes that the following wording is required:-

4. In respect of **financial statements**

For both the County Council and the North Yorkshire Pension Fund

- to approve the respective annual Statements of Final Accounts
- to reserve and review the Annual Audit Letters and associated documents issued by the External Auditor
- to approve changes in accounting policy

The Pension Fund Committee is aware of and supports this proposal.

21 May, 2008

The Audit Committee RECOMMENDS:

That the Terms of Reference of the Audit Committee, as set out in the County Council's Constitution, be amended by replacing paragraph 4 with the following:-

4. In respect of **financial statements**

For both the County Council and the North Yorkshire Pension Fund

- to approve the respective annual Statements of Final Accounts
- to reserve and review the Annual Audit Letters and associated documents issued by the External Auditor
- to approve changes in accounting policy

ROGER HARRISON-TOPHAM
Chairman

County Hall,
NORTHALLERTON.

13 May, 2008