



# Onchan District Commissioners

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**M.J. WILLIAMS**  
CHIEF EXECUTIVE/CLERK  
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Our ref: C.20 A.Z./MJW/ASD

29<sup>th</sup> September 2005

Mr K.C. McGreal, CPFA, MAPSA  
Chief Internal Auditor  
The Treasury  
Second Floor  
Heywood House  
Ridgeway Street  
DOUGLAS  
Isle of Man  
IM1 1EW

Dear Mr McGreal

**Re: Audit Bill and Revised Accounts and Audit Regulations**

I refer to your letter dated 2<sup>nd</sup> August 2005, in which you invite the submission of comments on the draft Audit Bill and draft Accounts and Audit Regulations, such comments to be received by 30<sup>th</sup> September 2005.

May I, first of all, thank you, Mr MacMeakin and Mrs Mellor for attending the presentation at Braddan Parish Commissioners on Tuesday 20<sup>th</sup> September 2005, in relation to this matter. Members found the presentation to be very informative and are grateful for the time taken in the preparation and presentation of the information.

I am directed to confirm that, in general, the Onchan District Commissioners are supportive of the provisions both within the draft Audit Bill and the draft Audit Accounts and Audit Regulations. The legislation and the content of the presentation was considered at a meeting of the Commissioners held 'In Committee' on Monday 26<sup>th</sup> September 2005. As a result, I am directed to make the following comments for your consideration.

- 1. Commonality** – In view of the opportunity for the Treasury and/or Department of Local Government and the Environment to establish regulation in relation to accounting and audit practice, it was suggested that consideration should also be given to the provision by Central Government of standardised accounting packages across Local Authorities, with accounting templates established thereupon. In this way, a more common approach to the preparation of accounts could be achieved.

2. **Finance Officer** - Members of the Onchan Authority noted comments made at the recent presentation in this matter, and concern expressed that the proposed regulations appeared to provide the responsible Financial Officer with the responsibility and right to determine the accounting records and accounting control systems to be maintained by the body. The Onchan Authority consider that the ultimate responsibility and decision making should remain with the Authority. Members noted your undertaking to review the wording of the regulation to try to achieve this situation.
3. **Differentiation in Requirements** - In as much as the proposals relate to Local Authorities, comment was made at the meeting of the Onchan Members that each Local Authority should be treated in the same manner and there should be no differentiation between any of the Authorities. It was stated that whilst there were Authorities with fewer responsibilities and handling smaller amounts of money, the smaller Authorities were capable of adhering to the same package and requirements as the larger Authorities, albeit with smaller figures.
4. **Corporate Governments Principles** - Having noted the Isle of Man Government Corporate Principles and Code of Conduct document which was made available to Members attending the presentation, the Onchan Members had noted in particular the third fundamental principle of Corporate Governments – accountability – whereby individuals were responsible for their actions. It was noted that this was achieved by all parties having a clear understanding of those responsibilities and having clearly defined roles through a robust structure. Members sought to obtain clarification as to how the Department of Local Government and the Environment and/or the Treasury envisaged such accounting principles being stipulated and monitored for effectiveness across the Local Authorities.

The Onchan District Commissioners believe that the adoption and implementation of the proposals contained within the Audit Bill 2005 and the draft Account and Audit Regulations 2006 will address any perceived weaknesses in the accounting and auditing procedures which thus far have been undertaken by Local Authorities, with no additional changes being required thereafter, in relation to the financial procedures, in the proposed Local Government Bill.

May I thank you for the opportunity to submit views on the proposals and to enquire whether any further changes or proposals might be brought to the attention of the Authority at the earliest juncture.

Yours sincerely

**M.J. WILLIAMS**  
**CHIEF EXECUTIVE/CLERK**