

Audit Committee – 26 September 2012

Minutes of the meeting of the **Audit Committee** held on **26 September 2012** when there were present:-

Chairman: Cllr T E Mountain
Vice-Chairman: Cllr Mrs A V Hale

Cllr J D Griffin
Cllr B T Hazlewood
Cllr M Hoy

Cllr Mrs C E Roe
Cllr D J Sperring
Cllr I H Ward

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Mrs J R Lumley , R D Pointer and Mrs B J Wilkins.

OFFICERS PRESENT

Y Woodward	- Head of Finance
C Cox	- Financial Services Manager/Chief Accountant
T Metcalf	- Audit and Performance Manager
T Harper	- Performance and Risk Manager
S Worthington	- Committee Administrator

ALSO PRESENT

R Bint	- PKF
L Clampin	- PKF
C Read	- PKF

192 MINUTES

The Minutes of the meeting held on 13 June 2012 were approved as a correct record and signed by the Chairman.

193 FINANCIAL STATEMENTS 2011/12

The Committee considered the report of the Head of Finance on the financial statements for 2011/12.

Following further perusal of the statements by the external auditors, some revisions had been made; copies of replacement balance, property, plant and equipment, financial instruments, and comprehensive income and expenditure statement sheets were circulated to Members.

In response to a Member question relating to a variation of £185k, as detailed on the balance sheet circulated, officers advised that this was due to the external auditors' assessment that, in respect of fixed assets, the Council should have used discounted costs to calculate the disposal cost of electrical and heating components.

Resolved

- (1) That the financial statements be approved and signed by the Chairman.
- (2) That the movement in earmarked reserves be agreed. (HF)

194 EXTERNAL AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE

The Committee considered the report of the Head of Finance inviting Members to give consideration to the external auditors' report on the results of their audit of the Council's financial statements for 2011/12.

Responding to a Member question relating to paragraph 4.7 on page 9.12 of the officer's report, officers confirmed that the judgment made relating to delivery of the 2012/13 budget was reasonable, as it was an assumption based on the financial information available at the time of writing. PKF confirmed that they had been able to place full reliance on the work of Internal Audit.

Resolved

- (1) That the report be noted and that implementation of any action plans be reported through the audit process.
- (2) That the Chairman of the Audit Committee sign the statement, as outlined in the report. (HF)

195 MID YEAR REVIEW OF THE COUNCIL'S CORPORATE RISK REGISTER FOR 2012/13

The Committee considered the report of the Head of Finance providing a mid year review and update of the Council's corporate risk register for 2012/13.

Officers advised, in response to a Member question relating to risk SR6 detailed on page 10.19 of the report, that the work undertaken during a comprehensive human resources review that was looking at recruitment and the overall concepts of staff retention and retaining the right skills within the Council would supersede this and would probably result in SR6 being removed from the Corporate Risk Register.

Responding to a further Member enquiry about risk SR9, also detailed on page 10.19 of the report, officers confirmed that the Council was currently assessing all partnerships in respect of potential liabilities and value to the Authority. Officers further advised, in response to a supplementary question relating to the timescale of this review, that this would continue over the next couple of months.

Officers confirmed, in response to a Member question around risk SR4b - relating to contract arrangements - detailed on page 10.10 of the report, that

individual risk assessments are produced for each contract and that controls in place are robust. Financial checks are run periodically on contractors and the media is also regularly checked. Responding to a supplementary question relating to challenges from contractors who are unsuccessful in being awarded Council contracts and contract failures, officers confirmed that lessons had been learned and were being applied to controls in respect of the Council's grounds maintenance contract.

Resolved

That the updated corporate risk register for 2012/13 be approved. (HF)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for the remaining items of business on the grounds that exempt information, as disclosed in paragraph 3 of Part 1 of the Local Government Act 1972, would be disclosed.

196 AUDIT REPORT

The Committee considered the exempt report of the Head of Finance drawing Members' attention to completed audit investigations and providing an update of audit recommendations.

Responding to a Member question around the reason for revised end dates for progress/actions within individual audits, officers advised that end dates could be amended for a variety of different reasons, depending on circumstances. In the case of the audit report no. 6 on creditors, for example, the timescale was extended to allow time for a working group looking at amending processes to complete its work and to finalise an action plan. In other cases where work wasn't quite complete, time has been built in to allow Internal Audit time to monitor these areas.

In response to a Member question relating to the overall findings of the completed audit projects detailed in appendix 2 to the officer's report officers confirmed that audits were generally focused on areas identified as being areas of higher risk.

Resolved

- (1) That the conclusions and results from the audits in appendix 2 to the report be agreed.
- (2) That the updated information on the audit recommendations, outlined in appendix 3 to the report, be agreed. (HF)

The meeting closed at 8.05 pm.

Chairman

Date

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