

Audit Committee – 15 June 2010

Minutes of the meeting of the **Audit Committee** held on **15 June 2010** when there were present:-

Chairman: Cllr Mrs J A Mockford
Vice-Chairman: Cllr Mrs G A Lucas-Gill

Cllr Mrs J Dillnutt
Cllr T Livings
Cllr J R F Mason

Cllr Mrs J E McPherson
Cllr D G Stansby

APOLOGIES FOR ABSENCE

Cllr Mrs B J Wilkins

OFFICERS PRESENT

Y Woodward - Head of Finance
T Metcalf - Audit and Performance Manager
S Worthington - Committee Administrator

ALSO PRESENT

R Bint - PKF

156 MINUTES

The Minutes of the meeting held on 20 April 2010 were approved as a correct record and signed by the Chairman.

157 EXTERNAL AUDITOR'S FEES 2008/09 – 2010/11

The Committee considered the report of the Head of Finance presenting the latest information from the Council's external auditors, PKF, on the actual fees for 2008/09 and their proposed fees for 2010/11.

During debate of the comparison of audit fees for neighbouring and other Essex Local Authorities, Members made particular reference to the differences in net expenditure for similar authorities.

Members requested a further comparison to be made of this Authority's external audit fees compared to other Authorities, based on gross, rather than net figures, as the fees are based on gross expenditure. Officers confirmed that a report will be brought to the September meeting of this Committee.

Responding to Member concern about fees relating to additional auditing of safeguarding children and managing the financial downturn, the external auditor advised that there was no additional cost for this. Following the announcement of the abolition of Comprehensive Area Assessments, the Audit Commission was currently consulting on issues relating to the Use of

Audit Committee – 15 June 2010

Resources framework and it was likely that external audit fees would all change in light of this. He further confirmed that the fee letter would be re-issued to the Council, excluding the Audit Commission fees in relation to CAA.

Resolved

That the external auditor's reports on audit fees for 2008/09 and 2010/11 be noted. (HF)

158 CLOSURE OF ACCOUNTS 2009/10

The Committee considered the report of the Head of Finance outlining some of the detail supporting the statement of accounts that will be submitted to Council on 29 June 2010.

Officers advised that, since formulation of the report, some figures had been revised, as listed below:-

No	Cost Centre	Item	Revised Estimate £	Actual £	Variance (Brackets is good news) £	Explanation
13	Housing Benefits Payments	Rent Rebates	(32,200)	(54,572)	22,372	Budget is based upon grant claims submitted at key points in the financial year. Actual figures will vary due to demands on caseloads. Demand led.
14		Rent allowances	13,404,600	14,890,340	1,485,740	
15		Housing benefit payments	(13,192,900)	(14,278,724)	(1,085,824)	
New		Rent rebates subsidy	(450,000)	(643,844)	(193,844)	
9		Council Tax benefits	(4,799,200)	(4,990,927)	(191,727)	

Officers advised, in response to a concern raised by Members relating to the high figures listed, for example, in items 8, 14 and 15 of the report, and the likelihood of claims rising given the current economic climate, that the Council received a 100% subsidy for the majority of these payments.

Officers reminded Members that the statement of accounts would be submitted to Council on 29 June and that Members had the opportunity, in advance of this, to raise any further questions with officers.

Resolved

That the significant variances for 2009/10 budgets be noted. (HF)

159 CORPORATE RISK REGISTER 2010/11

The Committee considered the report of the Head of Finance providing an update of the register for 2010/11, together with the Corporate Risk Group plan and an example risk analysis.

Members observed that the notes against items 1 and 7 of the Corporate Risk Register were contradictory and needed to be re-visited.

Responding to a Member question relating to risk 2 and whether the likelihood and risk should be rated higher, officers emphasised that the medium term financial strategy looking ahead over five years had looked at different scenarios involving changes in Government funding. Members, however, expressed concern that any freeze in Council Tax income would have a cumulative effect on the Council budget at the same time that the Council faced uncertainty over Government funding and pension commitments.

Resolved

That the updated Corporate Risk Register for 2010/11 be approved. (HF)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for the remaining item 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.

160 ANNUAL GOVERNANCE STATEMENT 2009/10

The Committee considered the exempt report of the Head of Finance, identifying the key systems within the Council that ensure there is a good system of internal control and effective governance arrangements upon which assurance can be placed.

Officers confirmed, in response to a Member query about whether or not the Council could achieve its previously agreed two-year savings target on overall expenditure by 2012/13, that these targets had to and would be achieved.

Resolved

- (1) That it be agreed that the level of assurance provided for 2009/10 Annual Governance Statement is sufficient to determine the weaknesses identified.
- (2) That the 2009/10 Annual Governance Statement be agreed for signing by the Leader of the Council and the Chief Executive. (HF)

The meeting closed at 8.17 pm.

Chairman

Date

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