

Audit Committee – 5 June 2008

Minutes of the meeting of the **Audit Committee** held on **5 June 2008** when there were present:-

Chairman: Cllr J Thomass
Vice-Chairman: Cllr J P Cottis

Cllr Mrs L A Butcher
Cllr Mrs J Dillnutt
Cllr K A Gibbs
Cllr T Livings

Cllr Mrs J A Mockford
Cllr S P Smith
Cllr D G Stansby
Cllr P F A Webster

VISITING MEMBER

Cllr M J Steptoe

OFFICERS PRESENT

Y Woodward	-	Head of Finance, Audit & Performance Management
T Metcalf	-	Audit and Performance Manager
J Kevany	-	Principal Auditor
G Rawlings	-	Auditor
M Power	-	Committee Administrator

ALSO PRESENT

D Eagles of PKF, the Council's External Auditors.

185 MINUTES OF THE MEETING

The Minutes of the meeting held on 18 March 2008 were approved as a correct record and signed by the Chairman.

186 ANNUAL AUDIT AND INSPECTION LETTER (MARCH 2008)

The Committee considered the report of the Head of Finance, Audit & Performance Management introducing the Council's External Auditor's report from 2006/07. Overall, Mr Eagles reported that the Inspection Letter gave a very positive message for the Authority and acknowledged the progress that had been made in delivering improvements, most noticeably in Financial Management, Risk Management and Performance Management. The Council has also delivered a number of key initiatives, for example the housing transfer, recycling, Crime & Disorder Reduction Partnership and leisure.

It was noted that point 4 on page 4 of the Letter should read 'has a clear vision for the District' rather than 'has a clear vision for the Borough'.

Resolved

- (1) That the PKF report be noted, together with the four areas highlighted for further focus by the Council throughout 2008, in conjunction with the results of the 2008 CPA reassessment.
- (2) That the quarterly reports on progress against each of these four areas be received as part of the monitoring of the results of the 2008 CPA reassessment to ensure effective implementation of the issues to be addressed. (HFAPM)

187 USE OF RESOURCES

The Committee considered the report of the Head of Finance, Audit & Performance Management setting out how the action plan arising from the Use of Resources (UoR) Judgement 2007 would be implemented and monitored.

In response to a question, it was noted that the Council's assets, for example halls that are local authority owned, can be reviewed to ensure best use.

Resolved

- (1) That the approach to the 2007/08 UoR, as outlined in the report, be noted.
- (2) That the KLOE for the 2008/09 Use of Resources, together with an action plan for improving the Use of Resources Judgement, be reported to Audit Committee. (HFAPM)

188 OUTLINE AUDIT AND INSPECTION PLAN (2008/09)

The Committee considered the report of the Head of Finance, Audit & Performance Management on introducing the outline Audit and Inspection Plan 2008/09.

It was confirmed that to ensure the independence of the Audit Partner and the Audit Manager, a system of rotation of staff was in place, which would take place for the Audit Partners after completion of the 2007/08 audit. However, the Committee was assured that continuity of staff would be maintained.

A possible error was noted in the Audit and Inspection fees. The matter would be investigated and reported back to the Head of Finance, Audit & Performance Management.

Resolved

That the Outline Audit & Inspection Plan 2008/09 be noted. (HFAPM)

189 CLOSURE OF ACCOUNTS

The Committee considered the report of the Head of Finance, Audit & Performance Management asking Members to consider some of the detail regarding the Statement of Accounts that will be submitted to the Council on 26 June 2008.

Although the Statement of Accounts was usually produced in September, it had been felt that it would be a useful tool if it were produced earlier to improve the scrutiny of the accounts. Members were invited to ask questions of Council officers if they required more information.

Resolved

That the Committee recommends to Council that the budget amendments identified in this report be agreed. (HFAPM)

190 UPDATE OF EXTERNAL AUDIT RECOMMENDATIONS

The Committee considered the report of the Head of Finance, Audit & Performance Management drawing Members' attention to the recommendations of the 'Report of the Auditor to those Charged with Governance, 2006/07'.

Resolved

That the monitoring sheets for the External Audit recommendations be agreed. (HFAPM)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for the remaining business on the grounds that exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed.

191 INTERNAL AUDIT REPORT AND OPINION 2007/08

The Committee considered the exempt report of the Head of Finance, Audit & Performance Management informing Members of the progress of Internal Audit work during the year and to report the Opinion of the Audit & Performance Manager in respect of the effectiveness of the systems of Internal Control that exist within the Authority. This Opinion contributes to the Annual Governance Statement.

Resolved

(1) That the Annual Report be noted.

- (2) That the Audit & Performance Manager's Opinion on the Systems of Internal Control be agreed. (HFAPM)

192 ANNUAL GOVERNANCE STATEMENT

The Committee considered the exempt report of the Head of Finance, Audit & Performance Management, which drew Members' attention to the need to change the way the Council's assurances are reported through the production of the Annual Governance Statement.

Resolved

- (1) That the areas of assurance identified within the Annual Governance Statement are sufficient to determine the strengths and weaknesses stated within the 2007/08 Statement.
- (2) That the 2007/08 Annual Governance Statement for signing by the Leader of the Council and the Chief Executive be agreed. (HFAPM)

193 AUDIT REPORT

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

Resolved

- (1) That the conclusions and results from the audits in Appendix 1 of the report be agreed.
- (2) That the updated information on the audit recommendations, outlined in Appendix 2 of the report, be agreed. (HFAPM)

The meeting closed at 8.18 pm.

Chairman

Date

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