

Audit Committee – 4 March 2009

Minutes of the meeting of the **Audit Committee** held on **4 March 2009** when there were present:-

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

Cllr Mrs L A Butcher
Cllr Mrs J A Mockford

Cllr S P Smith
Cllr D G Stansby

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs C I Black and T Livings.

OFFICERS PRESENT

Y Woodward - Head of Finance, Audit and Performance Management
T Metcalf - Audit and Performance Manager
J Kevany - Principal Auditor
S Worthington - Committee Administrator

58 MINUTES

The Minutes of the meeting held on 4 December 2008 were approved as a correct record and signed by the Chairman.

59 STRATEGY AND TERMS OF REFERENCE FOR INTERNAL AUDIT

The Committee considered the report of the Head of Finance, Audit and Performance Management outlining proposed changes to the Strategy and Terms of Reference for Internal Audit (STRIA) and seeking Members' approval for the revised document.

Resolved

- (1) That the revised Strategy and Terms of Reference for Internal Audit be approved.
- (2) That the Strategy and Terms of Reference for Internal Audit continue to be reviewed annually as part of the Annual Governance Statement process. (HFAPM)

60 UPDATE OF EXTERNAL AUDIT RECOMMENDATIONS

The Committee considered the report of the Head of Finance, Audit and Performance Management drawing Members' attention to the recommendations of the 'Report of the Audit to those Charged with Governance, September 2008'.

In response to a Member enquiry relating to page 9.2 of the report, officers advised that the use of the current year valuation report to value the current

year financial assets was an issue that had not previously been picked up by the external auditors; in future the current year valuation report would be used to inform the following financial year's accounts.

Responding to a further Member question about the current financial climate, officers confirmed that the Council's assets would be re-valued this year and a charge made, in the event of any reduction in value; there would not be a need to make any changes to Council services as a result of any potential reduction in the value of any Council assets.

Officers advised, in response to a Member enquiry relating to bank reconciliations, that these were conducted on a monthly basis.

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 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.

61 AUDIT REPORT

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

In response to a Member query about the frequency of changing computer passwords with respect to audit report 10 (2008/09), officers advised that changing passwords frequently lent additional security to the Council's electronic payroll system.

Responding to a Member observation relating to the specialised technical nature of work that had been audited, officers affirmed that the Council's Internal Audit function operated independently. Reports were produced independently and went directly to the Chief Executive and Corporate Director. In addition, the external auditors also regularly audit the work of Internal Audit and make a judgment as to whether confidence can be placed in it.

Officers confirmed, in response to a Member question about investments, that in the current economic climate returns on investments were reduced, but that the Council was getting the best return possible under the circumstances. It was important that the Council's funds were invested with different banking

organisations in order to minimise any risk.

Responding to a question relating to journal entries, officers advised that one of the accountancy officers authorised these. Officers further confirmed that write-offs were only instigated once all possibilities of recovering debts had been exhausted.

Officers advised, in response to a question relating to empty business properties, that inspections of such properties were generated by computer and alerts sent to the visiting officer's hand held organiser.

Responding to a Member enquiry about lone working, officers emphasised that stringent health and safety procedures were in place for lone working. Members observed that residents would perceive Officers visiting residents' properties as representing the Council and would automatically assume them to be trustworthy. Officers confirmed, in response to a Member question about Police checks, that there was no requirement for all such Officers to be CRB checked. In concluding debate, Members concurred that there would be merit in officers re-visiting this policy and to report back to a future meeting of this Committee.

Resolved

- (1) That the conclusions and results from the audits in appendix 1 to the officer's report be agreed.
- (2) That the updated information on the audit recommendations, outlined in appendix 2, be agreed.
- (3) That a future report be brought back to the Audit Committee on CRB checks for officers. (HFAPM)

The meeting closed at 8.00 pm.

Chairman

Date

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