

AUDIT COMMITTEE

24 MARCH 2011

Present:- Councillor M J D Skeels (Chairman), Councillor P Halliday (Vice-Chairman), Councillor L J Double, Councillor M J Talbot, Councillor C A Turner

In Attendance:- Head of Financial Services, Deputy Head of Financial Services, Head of Internal Audit, Audit Manager, Facilities and Sports Development Manager (items 39 and 40 only), Senior Democratic Services Officer.

Also in Attendance:- Martin Searle and Carl Pettitt (Audit Commission)

(10.00 a.m. - 11.23 a.m.)

39.. MINUTES OF THE MEETING OF THE COMMITTEE HELD ON 16 DECEMBER 2010

The minutes of the meeting of the Committee held on 16 December 2010 were approved as a correct record and signed by the Chairman.

40. SAFEGUARDING AND CHILDREN'S AGENDA

Further to minute 4 of the meeting of the Committee held on 27 May 2010 the Committee were updated on the Council's progress in meeting its requirements on delivering its Safeguarding Children agenda.

At the request of the Committee, Officers undertook to investigate for inclusion on the Council's Safeguarding Annual Action Plan:-

(i) The risk management issues surrounding the principle of members of the Council undergoing a Criminal Records Bureau check;

(ii) The provision of training and guidance in respect of safeguarding children issues as part of the induction of Councillors following the District Council Elections in May;

(iii) Including, if it is not already present, a stipulation within the Contract procurement process that any contractor who is awarded a contract from the Council must, if they then sub-contract out that contract, conduct a Criminal Records Bureau check for any and all sub-contractors they employ in carrying out that contract.

The Committee noted the foregoing.

41. REPORT ON INTERNAL AUDIT - NOVEMBER 2010 – MID FEBRUARY 2011

The Committee had before it the periodic report on the internal audit function for the period November 2010 to mid-February 2011.

At the request of Councillor Talbot, the Head of Financial Services undertook to circulate a briefing note to all Members in respect of the potential implications for this Council of the proposals announced by the Chancellor of the Exchequer in his Budget Speech and with particular regard to the Chancellor of the Exchequer's proposal that Councils would be allowed to keep any business rates arising from new business/commercial developments within that Council's area.

RESOLVED – (a) That the contents of the report be noted.

(b) That reports be submitted to a future meeting of the Committee in respect of:-

i. The issues identified in respect of the Cashiers audit and, in particular, why the actions identified from a previous audit remained outstanding; and

ii. The background to the cash shortages and unaccounted paperwork relating to the audit of the Pay and Display machines at the Council's car parks and controls now in place to address the issues raised.

42. INTERNAL AUDIT PLAN 2011/12

The Committee's approval was sought for the Internal Audit Plan for 2011/12 and for the arrangements for delegated authority for amendments to such Plan that might become necessary during the course of the year.

RESOLVED – (a) That the Internal Audit Plan for 2011/12 be approved.

(b) That the Head of Internal Audit continue to be given delegated authority to adjust the Plan during the year to reflect changing Authority activity and operational needs, with any significant amendments considered material to be reported periodically to the Committee using the regular Internal Audit reporting arrangements.

(c) That any outstanding Internal Audit assignments as at 31 March 2011 should be completed within the following six months.

(d) That if the same audit issue comes up twice in respect of a Service it should be made clear to the relevant Head of Service that this Committee feels that that is unacceptable.

43. AUDIT COMMISSION'S VALUE FOR MONEY CONCLUSION

Members were made aware of the proposed Audit Commission approach to issuing an opinion/conclusion on the Council's value for money arrangements for 2010/11.

Martin Searle of the Audit Commission endorsed the approach being taken by the Council in respect of its value for money criteria and activities being undertaken.

RESOLVED - That the Audit Commission's approach to determining a conclusion on the Council's value for money arrangements for 2010/11 and the corresponding actions completed or currently being processed within the Council be noted.

44. AUDIT COMMISSION REPORT - CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT

The Committee were presented with the Audit Commission's Certification of Claims and Returns Annual Report for 2009/10.

RESOLVED - That the contents of the report be noted.

45. UPDATE OF STRATEGIC RISK MANAGEMENT STRATEGY

The Committee were provided with an update on the Council's Risk Management Strategy, Strategic Risk Register and Management Action Plans.

RESOLVED - That the progress made to 25 February 2011 and the future actions developed to manage strategic risks impacting on the Council, as set out in the appendices to item A.6 of the Report of the Head of Financial Services, be noted.

46. AUDIT COMMISSION RECOMMENDATIONS – PROGRESS/UPDATE

Members were presented with a report updating them on the progress made against recommendations made by the Audit Commission following their annual audit work and associated reporting.

RESOLVED - That the progress made against the Council's Action Plan, as set out in appendix A to item A.7 of the Report of the Head of Financial Services, be noted.

47. AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

The Committee considered the progress made against items identified as requiring further action or responses.

RESOLVED - That the progress made against the table of outstanding issues, as set out in the appendix to item A.8 of the Report of the Head of Financial Services, be noted.

48. AUDIT COMMITTEE WORK PROGRAMME FOR APRIL 2011 TO MARCH 2012

The Committee's approval was sought in respect of their proposed work programme for the period April 2011 to March 2012.

Members were aware that the Statement of Accounts were due to be presented to the Committee in accordance with its normal practice at its June 2011 meeting. However, Members were informed that changes were being proposed to the accounts and audit regulations in that the Head of Financial Services as Section 151 Officer would be able to certify the accounts and publication subject to audit rather than formal approval having to be sought from the Audit Committee. The Audit Committee would then only need to consider the Statement of Accounts once as part of the Annual Governance Report in September which would be after they had been audited by the Audit Commission. It was therefore suggested that the Committee's consideration of the draft Statement of Accounts in June 2011 could therefore be removed from the work programme for the Committee.

RESOLVED – That the Audit Committee Work Programme for 2011/12, as set out in the appendix to item A.9 of the Report of the Head of Financial Services, be approved, subject to:-

(i) the removal from the agenda for the June 2011 meeting of the need to approve the draft Statement of Accounts; and

(ii) the inclusion on the agenda for the December 2011 meeting of the Committee a report in respect of any slippage within the Internal Audit Plan programme and, in addition, a report on any resource/staffing issues the Internal Audit Section may be facing at that time.

49. TABLE OF OUTSTANDING ISSUES

There was submitted a report by the Council's Corporate Director (Corporate Services) which presented to Members the progress against outstanding actions identified by the Committee.

It was reported that there were no significant issues to bring to the attention of the Committee, with updates provided against individual items, as set out in Appendix A to item A.6 of the Report of the Corporate Director (Corporate Services). It was confirmed that the three items in Appendix A of the afore-mentioned report were a snapshot at this time and that the Committee would be kept up to date on the issue of the Council being able to appoint external auditors in 2017/18 and Mr Barrett gave further clarification on that issue. Further information was set out in Appendix B to that report that gave updates against actions identified within the Annual Governance Statement, again with no significant issues to highlight at the present time.

Mr Barrett also informed the Committee that the department had currently been working with insurers concerning a property risk audit.

Other matters reported for the Committee's consideration were the Code of Corporate Governance, how the department was dealing with fraud issues as identified in the afore-mentioned report. Mr Barrett informed the Committee he would report on updates as appropriate and include this as an item on future Table of Outstanding Issues reports along with arrangements in respect of the Garden Communities project that is currently being developed with Local Authority

Having discussed the contents of the report it was:

RESOLVED that the progress against the Table of Outstanding Issues be noted.

50. ITEMS SCHEDULED FOR THE NEXT MEETING OF THE COMMITTEE IN JUNE 2016

The Committee noted that the date for its next meeting was Thursday 23 June 2016 commencing at 7.30 p.m. in the Council Chamber, in the Council Offices, Thorpe Road, Weeley.

It was reported that items currently scheduled for that meeting included:

- 1) Annual Report of the Head of Internal Audit and Annual Review of Effectiveness of System of Internal Control
- 2) Internal Audit Regular Monitoring Report
- 3) Annual Governance Statement (including review of the Council's Code of Corporate Governance)
- 4) Corporate Risk Register (six monthly review)
- 5) Table of Outstanding Issues (including update against External Audit Recommendations)

The Chairman thanked the Officers and also Chris Hewitt and Kevin Suter for all the help, advice and assistance that they had given him and the Committee. He also thanked the Members of the Committee for their input and commitment to the work of the Committee.

Chairman

