

AUDIT COMMITTEE

27 JUNE 2011

Present:- Councillors Page (Chairman), Skeels (Vice-Chairman), Challinor, Double, Talbot.

Also Present:- Councillor Broderick.

In Attendance:- Head of Financial Services, Deputy Head of Financial Services, Assistant Head of Legal Services (Licensing and Parking Services)(items 8 -10 only), Benefit Fraud Manager (items 8 - 11 only), Audit Manager, Democratic Services Officer.

Also in Attendance:- Carl Pettitt (Engagement Manager – Audit Commission).

(10.00 a.m. – 11.35 a.m.)

8. MIKE COLE

The Chairman wished to express his thanks to Mike Cole, retiring Head of Internal Audit, for the good work he has done for the Council over many years and wished him a long and happy retirement and the Committee concurred.

9. MINUTES

The minutes of the meeting of the Committee held on 26 May 2011 were approved as a correct record and signed by the Chairman.

10. PARKING PAY AND DISPLAY MACHINES – OUTCOMES FROM INTERNAL INVESTIGATION

The Assistant Head of Legal Services (Licensing and Parking Services) attended to answer Members' questions and report on the issues contained in the Audit report originally presented to the Committee at their meeting on 24 March 2011, minute 41(b)(ii) refers.

It was:-

RESOLVED – (a) That the actions in place to rectify the issues raised by internal audit be noted.

(b) That the Committee recommends a shorter period of time between collection and banking of money.

(c) That officers review the timing of banking and reconciliation to assess whether the new controls are adequate or if tighter controls are needed.

(d) That officers explore alternative ways of using change, rather than simply banking as cash.

(e) That a further report on the above matters be brought back to a future meeting of the Committee.

11. BENEFIT FRAUD UPDATE 2010/11

The Benefit Fraud Manager attended to give Members an update on the performance of the Benefit Fraud team for 2010/11 and changes made to levels applied in determining Benefit Fraud Sanctions.

It was moved by Councillor Talbot, seconded by Councillor Challinor and:-

RESOLVED – That the contents of the report be noted.

12. CONSULTATION ON THE FUTURE OF LOCAL PUBLIC AUDIT

The Committee considered a report on the recent consultation by Communities and Local Government on the future of local public audit and considered the proposed response to the consultation.

It was moved by Councillor Talbot, seconded by Councillor Skeels and:-

RESOLVED – (a) That the proposed arrangements for future local public audit, as set out in Appendices A and C to item A.3 of the report of the Head of Financial Services, be noted.

(b) That the responses to the consultation questions as set out in Appendix B to the aforementioned report be agreed.

13. FUTURE DELIVERY OF INTERNAL AUDIT

The approval of the Committee was sought to obtaining external bids for the provision of the Council's Internal Audit function to enable consideration to be given to the future delivery of that function.

It was moved by Councillor Talbot, seconded by Councillor Challinor and:-

RESOLVED – (a) That approval be given to obtain bids from external providers for provision of the Council's Internal Audit function.

(b) That the detail of the specification be delegated to the Head of Financial Services in consultation with the Chairman of the Audit Committee.

(c) That the results of the tendering exercise be reported back to the Committee in due course.

(d) That, following the departure from the Council of the Assistant Head of Financial Services (Exchequer and Audit) and pending a decision on the future delivery of Internal Audit, the Audit Manager be designated as Head of Internal Audit for the purposes of the CIPFA Code of Practice on Internal Audit.

14. BRIBERY ACT 2010

Members considered a report advising them of the contents and implications for the Council of the Bribery Act 2010 which comes into force on 1 July 2011.

It was moved by Councillor Page, seconded by Councillor Talbot and:-

RESOLVED – (a) That the contents of the Bribery Act 2010 be noted.

(b) That officers ensure that the relevant policies and procedures be kept under review so that the risk of bribery is mitigated.

(c) That item A.5 of the report of the Head of Financial Services be sent to full Council for its contents to be noted.

(d) That training on the Bribery Act 2010 be incorporated into future member development / training opportunities.

15. AUDIT COMMITTEE – TABLE OF OUTSTANDING ISSUES

The Committee were updated on the progress of items identified in the Table of Outstanding Issues as requiring further action or responses.

It was:-

RESOLVED – That the progress against the Table of Outstanding Issues be noted.

16. ANNUAL GOVERNANCE STATEMENT 2010/11

The Committee gave consideration to the Annual Governance Statement for 2010/11 presented for their approval and were advised of minor updates to be made to the Code of Corporate Governance for 2011.

It was moved by Councillor Talbot, seconded by Councillor Challinor and:-

RESOLVED – (a) That the Annual Governance Statement be approved.

(b) That the Chief Executive and Leader of the Council be advised of the outcome of the review and authorised to sign the Annual Governance Statement set out in the Appendix to item A.7 of the report of the Head of Legal Services and Monitoring Officer.

17. MEMBER TRAINING

At the request of the Committee the Head of Financial Services undertook to research possible external training options for Members. It was suggested that training could possibly be undertaken in conjunction with other Authorities in the area.

18. ITEMS SCHEDULED FOR THE NEXT MEETING OF THE COMMITTEE IN JUNE 2015

The Committee noted that the date for its next meeting was Thursday 25 June 2015 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) Update on use of S106 Funding
- 6) Review / Update in respect of Housing Development in the Tendring District
- 7) Table of Outstanding Issues (including update against External Audit Recommendations)

The Chairman thanked the Officers and Chris Hewitt 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.

19. ITEMS FOR THE NEXT MEETING OF THE AUDIT COMMITTEE

It was noted that the following matters would be brought before the Audit Committee for consideration at its next meeting, to be held on Thursday 12 December 2013:

- Internal Audit Monitoring Report
- Annual Audit Letter 2012/13
- External Audit – Certification of Claims and Returns
- Risk Strategy and Register
- Table of Outstanding Issues

Chairman