

AUDIT COMMITTEE22 SEPTEMBER 2011

Present:- Councillor M J Page (Chairman), Councillor D C Skeels (Vice-Chairman), Councillor S H Challinor, Councillor L J Double, Councillor M J Talbot.

In Attendance:- Head of Resource Management, Finance and Procurement Manager, Legal Services Manager (except items 18-20(part)), Audit Manager, Senior Democratic Services Officer.

Also in Attendance:- Neil Harris (District Auditor), Carl Pettitt (Audit Commission), Jennifer Garven (Audit Commission).

(10.00 a.m. – 11.03 a.m.)  
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18.. MINUTES

The minutes of the meeting of the Committee held on 27 June 2011 were approved as a correct record and signed by the Chairman.

19. MATTERS ARISING FROM THE ABOVE MENTIONED MINUTES

## (1) Member Training – Minute 17

The Committee welcomed the fact that the Member Training had now taken place and felt that the training had been of value.

(2) Parking Pay and Display Machines:  
Outcomes from internal investigation – Minute 10

The Finance and Procurement Manager informed the Committee that the relevant service had confirmed that changes in procedures had resulted in a shorter period of time elapsing between collection and banking of money from parking pay and display machines, with further details to be presented to the next meeting of the Committee in respect of the outcomes from the follow-up work by Internal Audit.

20. REPORT ON INTERNAL AUDIT: APRIL 2011 - JULY 2011

The Committee had before it the periodic report on the Internal Audit function for the period April 2011 to July 2011. Following consideration of the report and outcomes from a number of recent audits it was:-

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

(b) That updates be submitted to the next meeting of the Committee in respect of the following:-

(i) Tourist Information Centre – Non-compliance of the Box Office System with card standards;

(ii) Data Security Issues in respect of Planning Enforcement Files; and

(iii) CAPS application system development.

(c) That the Head of Resource Management look at the current understaffing of the Internal Audit section and report back to the next meeting of the Committee.

21. 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.

It was:-

RESOLVED – (a) That the progress made against the Council's Action Plan, as set out in appendix A to item A.2 of the Report of the Head of Resource Management be noted.

(b) That the Cabinet be informed that, in the opinion of the Committee, the Council's Regeneration and Tourism Strategies need to be updated to reflect the outcome of the restructuring of the Council.

22. 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.

23. AUDIT COMMISSION'S ANNUAL GOVERNANCE REPORT

The Annual Governance Report was presented to the Committee by the Council's Auditor. It was reported that the Audit Commission planned to issue an unqualified audit opinion on the Statement of Accounts and value for money arrangements and thanks were extended to the Financial Services Officers for their good work.

Councillor Double declared a personal interest in respect of Related Parties material transactions with the East of England Co-operative Society Limited.

It was:-

RESOLVED – (a) That the contents of the Audit Commission's Annual Governance Report 2010/11 be noted.

(b) That the Letter of Representation, as set out as Appendix 'A' to item A.4 of the Report of the Head of Resource Management, be approved.

(c) That the Chief Executive and Head of Resource Management be authorised to sign the Letter of Representation for forwarding to the Audit Commission.

(d) That the audited Statement of Accounts for 2010/11, amended for the adjusted items identified in the Annual Governance Report, be approved for publication.

(e) That the Committee places on record its thanks to the officers of the Audit Commission and the Council's financial services section for their hard work in preparing the accounts, particularly as this was undertaken with the backdrop of the organisational

restructure of the Council and the Audit Commission.

24. AUDIT COMMITTEE - TABLE OF OUTSTANDING ISSUES

The Head of Finance, Revenues & Benefits Services updated the Committee with the progress against outstanding actions identified by the Committee.

Mr Barrett provided an update on the work scheduled to be undertaken with the Council's insurers. Following a change in the Council's insurers, this activity would now be progressed in discussion with the new insurers.

It was RESOLVED that the Committee had noted the outstanding issues.

25. ITEMS SCHEDULED FOR THE NEXT MEETING OF THE COMMITTEE IN SEPTEMBER 2015

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

- 1) Annual Governance Report 2015/16 (includes Statement of Accounts and VFM Opinion)
- 2) Internal Audit Regular Monitoring Report
- 3) Fraud and Corruption Strategy, Benefit Security Strategy and Prosecution Policy
- 4) Annual Review of the Risk Based Verification Policy
- 5) Table of Outstanding Issues

26. EXTERNAL AUDIT - CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2014/15

There was submitted a report by the Council's Corporate Director (Corporate Services) which presented the External Auditor's certification of claims and returns annual report for 2014/15.

In summary, the key outcomes from the annual report were as set out below:

- In respect of the housing benefit subsidy claim, testing had identified some errors that had subsequently been amended, with no significant impact on the overall level of subsidy receivable. A qualification letter had been issued by the External Auditor based on the findings set out in their report.

In response, a recommendation had been agreed that related to the Council performing early and extended testing in those areas where errors had been identified in 2013/14 to ascertain the extent of similar errors arising in 2014/15.

- In respect of the second claim that was subject to external audit, no errors had been identified and the claim was certified without qualification.

Mr Hewitt from the Council's external auditor, Ernst & Young, highlighted the salient points of their audit report

Having considered the External Auditor's report it was:

RESOLVED that

- (a) the contents of the External Auditor's certification of claims and returns annual report 2014/15 be noted; and

(b) the recommended action in response to the External Auditor's findings be approved.

27. AUDIT COMMITTEE'S WORK PROGRAMME 2016/17

There was submitted a report by the Council's Corporate Director (Corporate Services) which presented for approval the Committee's proposed work programme for the period April 2016 to March 2017.

Members were aware that, in addition to the regulatory and statutory activities undertaken by the Committee such as the Statement of Accounts, Corporate Governance and Risk Management, the Committee were also required to review and scrutinise:

- The work and performance of the Internal Audit function;
- The outcomes from the work of the Council's External Auditor; and
- Progress against audit recommendations and other items identified by the Committee.

It was reported that as the year progressed, it might be necessary to review items as some reports / activities and associated timescales could be subject to change. As appropriate, the Chairman of the Committee would be consulted on any significant changes to the work programme.

Having considered the proposed Work Programme it was:

RESOLVED that

The Audit Committee's Work Programme for 2016/17 be approved.

28. 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.

29. 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