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AUDIT COMMITTEE22 MARCH 2012

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, Head of Internal Audit, Democratic Services Officer (JCN).

Also in Attendance:- Carl Pettit (Audit Commission).

(10.05 a.m. - 11.16 a.m.)  
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32.. MINUTES

The minutes of the meeting of the Committee held on 19 January 2012 were approved as a correct record and signed by the Chairman.

33. MATTERS ARISING FROM THE MINUTES - MINUTE 31 - TABLE OF OUTSTANDING ISSUES

Councillor Double raised his concern on the outstanding issue of Councillor representation on outside bodies. It was confirmed that this matter would be dealt with at the Annual Meeting of the Council.

34. TERMS OF REFERENCE, INTERNAL AUDIT STRATEGY AND INTERNAL AUDIT PLAN 2012/13

The Committee had before it a report which sought its approval for the updated Terms of Reference for Internal Audit and the Internal Audit Strategy. The report also sought its approval for the Internal Audit Plan for 2012/13 and arrangements for delegated authority for plan amendments that became necessary during the course of the year.

During the discussion of this item a query was raised whether a representative of an internal contractor should be present at the meeting of the Committee when a representative from an external contractor would not normally be present.

RESOLVED – (a) That the Terms of Reference for Internal Audit and the Internal Audit Strategy be approved.

(b) That the Internal Audit Plan for 2012/13 be approved.

(c) That the Head of Resource Management and the Chairman of the Audit Committee be authorised to make the necessary adjustments to the plan during the year to reflect changing Authority activity and operational needs and to provide flexibility of service delivery, and that significant amendments be reported to this Committee as part of the periodic Internal Audit reporting arrangements.

(d) That the role of an internal Contractor as against the role of an external Contractor be reviewed in the next review of the Constitution.

35. REPORT ON INTERNAL AUDIT: DECEMBER 2011 - FEBRUARY 2012

The Committee had before it the periodic report on the internal audit function for the period

mid-December 2011 to February 2012.

Following consideration of the report it was:-

RESOLVED – That the contents of the report be noted.

36. UPDATE OF STRATEGIC RISK MANAGEMENT STRATEGY

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

During the discussion it was suggested that it would be helpful in future if the relevant Officer was present at the meeting of the Committee when this matter was to be considered to discuss any particular item on the Risk Register.

It was also felt that the layout of the Strategic Risk Register and Management Action Plan would be improved by the use of colour charts and a Member suggested that he could bring a suitable template to the next meeting.

RESOLVED - (a) That the progress made to 24 February 2012 and the future actions developed to manage strategic risks impacting on the Council, as set out in the Appendices to item A.3 of the Report of the Head of Resource Management, be noted.

(b) That, in future, the Chairman will appraise the level of risk of the items on the Risk Register and, if he considers it appropriate, will request the attendance of the appropriate Officer to discuss the relevant item in more detail.

37. 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 its annual audit work and associated reporting.

During the discussion of this item concern was expressed over the lack of progress on the Regeneration Strategy Action Plan.

RESOLVED - (a) That the progress against the action plan be noted.

(b) That the Chairman requests the attendance of the appropriate Officers at the next meeting of the Committee to provide an update on regeneration issues.

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

The Committee was presented with the Audit Commission's Certification of Claims and Returns Annual Report for 2010/11.

RESOLVED – That the contents of the report be noted.

39. 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.6 of the Report of the Head of Resource Management, be noted.

40. AUDIT COMMITTEE WORK PROGRAMME 2012/13

The Committee's approval was sought in respect of their proposed work programme for the period April 2012 to March 2013.

RESOLVED – That the Audit Committee Work Programme for 2011/12, as set out in the Appendix to item A.7 of the Report of the Head of Resource Management, be approved, subject to the Work Programme details being set out in meeting format rather than in thematic form in order to make it easier to read.

41. AUDIT COMMISSION'S AUDIT PLAN 2011/12

Members were presented with a report for their consideration and to approve the Audit Commission's Audit Plan for 2011/12, along with a general Audit Committee update from the Audit Commission.

The Audit Plan set out the proposed Audit Fee as previously reported to the Committee at its meeting on 26 May 2011 (minute 6 referred), the proposed fee of £128,962 being within the overall external audit fee budget for 2011/12 of £181,390.

Carl Pettit from the Audit Commission gave Members an update in terms of the delivery of the Audit Commission's responsibilities as the Council's External Auditor (which was attached as an Appendix to item A.8 to the Report of the Head of Resource Management). This included an update in respect of the conclusion of the outsourcing work which had been undertaken by the Audit Commission following the Government's decision to abolish the Commission.

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

(b) That the contents of the Audit Commission's Audit Committee Update 2011/12 be noted.

42. 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.

43. 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