
MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD**ON THURSDAY 12 DECEMBER 2013****AT 7.30 P.M. IN THE COUNCIL CHAMBER, COUNCIL OFFICES, WEELEY**

Present: Councillors Griffiths (Chairman), Skeels (Vice-Chairman), I J Henderson, Talbot and Wood.

Also Present: Councillor D R Mayzes

In Attendance: Business Manager (Jon Barber), Democratic Services Officer (Michael Pingram), Finance and Procurement Manager (Richard Barrett) and Audit and Governance Manager (Steve Blake)

22. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

An apology for absence was submitted by Councillor Challinor with Councillor Wood substituting.

23. MINUTES OF THE LAST MEETING

The minutes of the meeting of the Committee held on 26 September 2013 were approved as a correct record and signed by the Chairman subject to the following amendment:

Declarations of Interest

Amendment by the Chairman on behalf of Councillor Hawkins that, at paragraph 2, the wording reads "Councillor Hawkins' spouse was a homeowner and could not be certain that the property would not be affected by any Coastal Defence Works in the distant future."

24. DECLARATIONS OF INTEREST

There were none.

25. UPDATE OF CORPORATE BUSINESS RISK MANAGEMENT PROCEDURE

The Committee had before it a report of the Council's Business Manager which provided the Committee with an update on the new approach to risk management and presented the revised Corporate Risk Register.

The Council's Business Manager explained that at a previous Audit Committee, Members were informed that the Council's risk management procedures were under review and that the process was now complete, with a new Corporate Risk Management Procedure replacing the previous Risk Strategy, along with a revised and refreshed Corporate Risk Register which were attached as Appendices to the report.

He further added that risks deemed significant were cascaded into the Corporate Risk Register which was seen by Management Team on a monthly basis, and by the Audit Committee every six months, although it would be notified of any significant risks if these occurred during this time. The procedure in place, he said, showed that the Council had a good process but stressed that due to ever-changing scenarios, the Corporate Risk Register could become dated quickly.

The Council's Finance and Procurement Manager said that the ongoing financial concern with the Co-op Bank was an issue he would like the Committee to discuss as the Council had six accounts set up with it. He said it was currently on the Departmental Risk Register but questioned if it could be elevated as a corporate risk.

During questions with the Committee, he explained that as the Council's money was removed from the accounts every day it was more of an operational risk and that a shadow bank had been set up so the Council's money would be easily transferable. The Committee then thanked the officers for the work put in to prepare the report and also thanked them for the training session that had been provided prior to the meeting.

26. EXTERNAL AUDIT'S ANNUAL AUDIT LETTER 2012/13

The Committee had before it a report of the Council's Finance and Procurement Manager which presented to the Committee the External Auditor's Annual Audit Letter 2012/13.

The Council's Finance and Procurement Manager explained that the letter primarily summarised the outcomes from various audit activities undertaken during the year and said that the key messages highlighted that the Council received an unqualified opinion on its financial statements and had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Council's Finance and Procurement Manager then thanked those who had contributed throughout the year to what was an excellent report.

Following discussion by the Committee it was **AGREED** that the staff involved in the report be congratulated for the excellent results.

27. TABLE OF OUTSTANDING ISSUES

The Committee had before it a report of the Council's Finance and Procurement Manager, which presented to the Committee, a reviewed and updated table of outstanding issues, since it had last been considered by the Committee on 26 September 2013, together with the progress against outstanding actions identified by the Committee.

The Council's Finance and Procurement Manager explained that to date there were no significant issues to bring to the attention of the Committee, with updates provided against individual items in Appendix A. It was then stated that updates against actions identified within the Annual Governance Statement 2012/13 were set out in Appendix B but that there were no significant issues to highlight at the present time.

The Council's Finance and Procurement Manager advised the Committee that he was still awaiting an outcome from the Local Audit Bill Update, that work on the Code of Corporate Governance was still ongoing and would be reported back to Committee in 2014 and that the Certification of Claims and Returns would also be reported at the next meeting.

During discussion, the Committee were informed of a further Local Audit Bill consultation currently being undertaken by the Government, which also raised the question about potentially bringing forward the publication of Local Authority Accounts. Concern was raised around this proposal and it was noted that an appropriate response will be included in the consultation.

The Council's Finance and Procurement Manager then explained that with regards to issues with cash handling, any points raised by the Committee would be passed on to Management Team using specific examples if required. The Council's Audit and Governance Manager stated that issues with cash handling for car parks were more about the process and would inform Member's more once a report had been

finalised. The Chairman asked this to be added to the table of outstanding issues as a specific item.

28. REPORT ON INTERNAL AUDIT: SEPTEMBER – OCTOBER 2013

The Committee had before it a periodic report of the Council's Audit and Governance Manager, which addressed the internal audit function for September to October 2013.

The Audit and Governance Manager highlighted that progress had continued regarding assessing compliance with the Public Sector Internal Audit Standards, that Internal Audit's function's performance was currently on target and that there were two audits completed during the period where the assurance given was less than adequate, and he advised that action was being undertaken within both functions to make the necessary improvements required.

He then said that due to the current audit plan contained insufficient coverage regarding IT Governance, and requested that the IT Procurement and Disposals audit be deferred and replaced with a high level IT Governance audit to be undertaken before the end of the financial year.

Following discussion it was moved by Councillor Talbot, seconded by Councillor Henderson and **AGREED** that the IT Procurement and Disposals audit be deferred and replaced with a high level IT Governance audit to be undertaken before the end of the financial year.

29. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

In order to serve notice on relevant Members, the Chairman called for a special meeting of the Committee to be convened in February 2014.

The meeting closed at 8.18 p.m.

Chairman