

AUDIT COMMITTEE

MINUTES OF MEETING HELD ON 20 JUNE 2012

Present: Mr Michael Bonner (Independent Chair)

Councillors Yvonne Clarkson; Peter Connolly; Joan Hully; Graham Sunderland; Doug Wilson; Carole Woodman

An Apology for absence was received from Councillors David Riley

Officers: Darienne Law, Head of Corporate Resources; Angela Brown, Accountant; Peter Usher, Audit Services Manager; Wendy Halbert, Principal Auditor; Denise James, Member Services Officer

Penny Mell, Head of Policy and Transformation Agenda Items
Anne Treble, Project Accountant; Leanne Barwise, Senior Accountancy Officer

Also in attendance: Karen Murray and Richard McGahon, Audit Commission

AU 1 Minutes

RESOLVED – That subject to Minutes AU48 being amended to “ The committee considered the Internal Audit Plan for 2012/13” the minutes of the meetings held on 23 April 2012 be signed by the Chairman as a correct record.

AU 2 Declarations of Interest

Councillor Joan Hully declared a personal interest in Agenda Item 12 on issues relating to Councillors expenses; Councillor Doug Wilson declared a personal and prejudicial Interest in Agenda item 12 and left the meeting at this point of the Agenda

AU 3 Arrangement of the Agenda

RESOLVED – That that, The Strategic Risk Management Report and Treasury Management Out Turn 2011/12 Report be considered on grounds of urgency at items 11 A & B respectively.

AU 4 Audit Monitoring Report – Quarter 4 2011/12 (Work Completed in 2012/13)

Consideration was given to a report informing members of progress made with regard to Audits in the 2011/12 work programme but completed in 2012/13. It was noted that three 11/12 Audits were still outstanding and Members were updated of their progress these being a) Review of partnership risk and governance arrangements b) Follow up review on Information Security; and c) Benefits processing.

RESOLVED – That the report be noted.

AU 5 Internal Audit Report on Internal Control 2011/12

Consideration was given to a report providing Members with assurance and an opinion on the Council's systems of internal control in 2011/12.

RESOLVED – That the report which provides evidence for the Annual Governance Statement be noted.

AU 6 Compliance with the Local Code of Corporate Governance 2011/12

Consideration was given to a report of the audit reviews of the Council's compliance with its Code of Corporate Governance during 2011/12. This review will contribute to the production of the Annual Governance Statement.

RESOLVED - That the report be noted.

AU 7 Effectiveness of Systems of Internal Audit 2011/12

Consideration was given to a report providing Members with an opinion on the effectiveness of the system of internal audit in 2011/12 which is a requirement of the Accounts and Audit Regulations. The report concludes that the system of internal audit has operated satisfactorily and there has been no fundamental breakdown of controls resulting in material error or discrepancies.

RESOLVED – That the report be noted and Members confirm that they are satisfied with the effectiveness of the system of internal audit for the financial year 2011/12.

AU 8 Standards and Code of Conduct

RESOLVED – That a) the revised terms of reference of the Committee agreed by Council and that the Committee will become the Audit and Governance Committee on 1 July 2012 be noted;

b) the Monitoring Officer be instructed to prepare a report to the next meeting on other categories of interests, other than DOI's, to be included in the Council's Code of Conduct;

c) the Monitoring Officer to prepare a report to the next meeting on a Draft Scheme of Dispensations under Section 33 of the Act;

d) a training session on the new responsibilities of the Audit and Governance Committee be held at 3.00pm on the 2 August 2012.

AU 9 Annual Governance Statement

Consideration was given to the Annual Governance Statement for 2011/12

RESOLVED – That the Annual Governance Statement 2011/12 be approved for inclusion within the Annual Statement of Accounts.

AU 10 The Strategic Risk Management Report

Consideration was given to a report updating the Committee on progress made in responding to the Risk Management Audit (April 2012).

RESOLVED – That

- a) the action plan proposed in Appendix A be agreed; and
- b) the Revised Strategic Risk Register in Appendix B be noted and agreed.

AU 11 Treasury Management Out Turn 2011/12

Consideration was given to the annual review of treasury management activities and the actual prudential and treasury indicators for 2011/12 as required by regulations issued under the Local Government Act 2003. This report meets the requirements of the CIPFA Code of Practice for Treasury Management (The Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code). As detailed in the Council's Treasury Management Strategy and as required under The Code, this report has to be adequately scrutinised by the Audit Committee before being recommended to Full Council.

It was noted that due to the timings of the meetings this report was considered by Full Council on 14th June 2012 where it was agreed that Audit Committee be delegated authority to fully approve the out-turn.

RESOLVED – That a) the actual 2011/12 prudential and treasury indicators attached at Appendix A be approved;

b) the Treasury Management Out-turn 2011/12 detailed in Section 8 of this report;

c) the make-up of the portfolio of investments as at 31st March 2012 attached at Appendix B be noted; and

d) it be noted that this report was presented to Full Council on 14th June 2012.

AU 12 District Auditors Report Following the Objection to the Council's 2011/12 Statement of Accounts

Note - This item was considered in private due to it containing confidential information by virtue of Section 49 of the Audit Commission Act – Not for Publication or Disclosure.

Prior to consideration of this item thanked and commended officers for their helpful and open approach to the Audit Commission during their investigation.

Consideration was given to the finding of the District Auditor following consideration of the 6 objections received to the Council's accounts for 2010/11.

It was noted that although the District Auditor has decided not to take any further formal audit action, such as seeking a declaration from the Court or issuing a public interest report, some actions had been identified for the Council to take.

RESOLVED – That the report and actions be noted.

The meeting closed at 1.30pm

Chairman

Date