

QUARTERLY REPORT FROM THE AUDIT COMMITTEE

Independent Chair: Mr M Bonner

Lead Members: Councillors J G Sunderland (Deputy Chair), P Connolly,
Mrs J I Hully, T Knowles, R Pitt, G Scurrah, D Wilson

Lead Officer: Julie Crellin, Head of Finance & MIS

This report is the first quarterly report for 2009/10 (to the period ended 30th June) summarising the work of the Audit Committee for that period, in response to a previous request from Council.

There have been three meetings of the Audit Committee since the start of the new Committee year. These were held on 27th May, 3rd June and 26th June.

The meetings were also attended by a representative of the Audit Commission, the Council's external auditors as the External Auditor. No reports were received from the external auditor at these meetings.

Members received a presentation from the Audit and Fraud Prevention Manager on the role of the Audit Committee and the role of internal audit at the meeting on 27th May, to enable new Members of the Committee to gain an understanding of the responsibilities of the Committee in ensuring the Council has effective audit arrangements. Members also received training from the Head of Finance and Management Information Systems in reading and appraising local authority financial statements at the meeting of 3rd June in readiness for the meeting of 26th June which considered the draft Statement of Accounts 2008/09.

The main subjects considered at three meetings were corporate governance; the effectiveness of the system of internal audit which operated in 2008/09; the audit plan for 2009/10 and the consideration of the draft Statement of Accounts 2008/09. These are set out in more detail below:-

1. Corporate Governance

The Audit Committee is charged with overseeing Corporate Governance arrangements of the Council. Annual reports on Internal Control and on the Effectiveness of the System of Internal Audit [including a review of the Effectiveness of the Audit Committee] were discussed at the meeting of 27th May, in preparation for approving the Annual Statement of Corporate Governance, which was presented by the Head of Policy and Performance at the following meeting.

Members considered the Council's Corporate Governance arrangements and the reviewed evidence to demonstrate that arrangements were in line with best practice and had been complied with in 2008/09. The Committee considered an action plan which would introduce further improvements in the coming year. The Annual Statement of Corporate Governance is included in the draft Statement of Accounts. The Annual Statement of Corporate Governance and the action plan for improvement, was approved at the meeting on 3rd June.

2. Internal Audit Plan

In line with best practice, the Audit Committee must approve the strategic audit approach and the annual programme of internal audit work. The annual risk assessment of the Council's activities was presented to the meeting of 3rd June. The results of the risk assessment were used to form the basis of the Internal Audit Plan for 2009/10. Members noted the priorities and approved the Audit Plan. Performance against the Audit Plan will be submitted to the Committee on a quarterly basis, so that the effectiveness of internal audit can be monitored and corrective action be taken if necessary.

3. Statement of Accounts 2008/09

The Audit Committee is charged with the statutory responsibility of approving the Annual Statement of Accounts on behalf of the authority, before the statutory deadline of 30th June.

Progress against the closure of accounts plan for 2008/09 was verbally reported to the Audit Committee during these three meetings by the Head of Finance and Management Information Systems. The draft Statement of Accounts 2008/09 was presented to the Audit Committee on 26th June.

A detailed discussion took place at the meeting, as Members considered the accompanying report from the s.151 Officer, drawing on the training they had received at the previous meeting. Following a detailed review, Members approved the Statement of Accounts, meeting the statutory deadline of 30th June. The Statement of Accounts is now available for public inspection and is subject to external audit. The next substantive phase of the external audit review has commenced.

The Audit Committee expects to receive the external auditor's report, following the audit of the Accounts, by the end of September. The findings will be included in the Audit Committee's next quarterly report to Full Council.