

AUDIT COMMITTEE
Tuesday, 17th January 2012

PRESENT – *Councillor Maxfield (in the Chair); Councillors Kay, Sidat, Hirst and Browne.*

ALSO PRESENT

Heather Green	– District Auditor
Karen Murray	– District Auditor
Liz Hall	– Director for Financial Services
Janet Hill	– Acting Head of Audit & Assurance
Mike Zammit	– Director of BT and IT
Paul Cutner	– Head of Corporate Finance
Tom Stannard	– Director of Policy
Colin Ferguson	– Audit and Assurance Manager
Paul Hankinson	– Audit and Assurance Manager
John Addison	– Scrutiny Officer

RESOLUTIONS

23 Minutes of the meetings held on 20th September 2011

The minutes of the meeting held on 20th September 2011 were agreed as a correct record.

24 Declarations of interest

There were no declarations of interest.

25 External Audit's Progress Letter

The Council's External Auditors presented to Members a report that issued an unqualified audit opinion on the 2010/11 financial statements on the 21st September 2011. It was reported that the financial statements had been prepared to a good standard with only a small number of changes made.

RESOLVED:

That the report on External Audit's progress Letter be noted.

26 External Audit's Progress Report

The Council's External Auditors provided the Committee with a report on the current position of their work as of January 2012. The report set out in detail the remaining work that needed to be undertaken and a work timetable for the rest of the year.

The External Auditors noted that the report was positive but despite some challenges ahead showed clear value for money.

RESOLVED:

That the report on External Audit's progress report be noted.

27 External Audit Certification of Claims & Returns – Annual Report

The Council's External Auditors provided the Committee with a report on the Audit of grants for 2010/11. The report outlined certification of claims, significant findings and actions for the Council to take.

The report highlighted that the External Auditors had been able to place reliance on the Council's control environment in auditing the claims for 2010/11. It was noted that most claims had been prepared in accordance with the relevant terms and conditions and only minor amendments were required on four claims.

RESOLVED:

That the report on External Audit's report on the Audit of grants for 2010/11 be noted.

28 External Audit Annual Plan

The Council's External Auditors provided the Committee with a report on the Audit Opinion Plan. Members were reminded that the External Audit plan was based on the Audit Commission's risk-based approach to audit planning.

It was reported that the External Auditors were required by professional auditing standards to specify detailed risks that must be considered as part of their work programme. It was noted that they had now completed their work in relation to the Council's 2010/11 financial year and were able to set out in detail the risks and associated audit work that they propose to undertake in relation to 2011/12.

In relation to value for money it was reported that External Audit had considered whether there were any risks that were relevant to their value for money conclusion. It was noted that at this stage of the audit it was concluded that there are no significant risks to draw to the Committee's attention. In completing the risk assessment External Audit will concentrate on:

- Financial monitoring reports for 2011/12;
- Achievement of planned savings and efficiencies in 2011/12;

- Plans for the 2012/13 budget and updating the medium term financial plan;
- Performance monitoring against the corporate plan measures 2011–2013; and
- Any updates to the Council's priorities and corporate plan.

RESOLVED:

That the report on External Audit's report on the Audit Annual Plan be noted.

29 Treasury Management Report – September 2011 to November 2011

The Head of Corporate Finance provided Members with a report on the Council's Treasury Management function.

The report summarised the interest rate for the quarter, borrowing and lending transactions undertaken and the Council's overall debt position. It also reported on the position against the Prudential Indicators established by the Council.

RESOLVED

That the Committee note the report.

30 Draft Treasury Management Strategy Report 2012/13

The Head of Corporate Finance provided the Committee with a report to consider the draft Treasury Management Strategy for 2012-13, ahead of formal approval as part of the budget setting process.

Members were reminded that last year the Council adopted CIPFA's latest Code of Practice on Treasury Management in the Public Services. The proposed Treasury Management Strategy presented to Members complied with both the CIPFA Code and with the current Department for Communities and the Local Government guidance on Investments.

It was reported that under the Council's Financial Regulations, the Council sets a Treasury Management Strategy in advance of the financial year, as well as a combined mid-year review of the current year and an annual report documenting the outcome of the previous year.

Members with Officers discussed the report and changes in details that had occurred, highlighting key areas for Members to consider. It was reported that the Council's investment priorities remained Security and Liquidity, ahead of Yield.

RESOLVED

That the Committee agree to the proposals in the draft Treasury Management Strategy for 2012/13.

31 Audit & Assurance – Progress & Outcomes to 30th November 2011

The Head of Audit & Assurance submitted a report which updated the Committee on progress and outcomes against the Audit & Assurance Plan 2011/12 in terms of outcomes achieved for the third quarter of the financial year.

The report focused on a number of key areas in Audit & Assurance, in particular:

- Counter Fraud Training
- Pro-active Fraud Testing
- Insurance
- Risk Management

RESOLVED

That the Committee note all outcomes achieved by the 30th November 2011 against the Audit & Assurance Plan, which was approved by Committee in April 2011.

32 Annual Governance Statement – Progress of 2010/11 Actions and Action Plan for 2011/12

The Head of Audit & Assurance provided the Committee with a report that outlined the intended process for producing the Council's Annual Governance Statement (AGS) for 2011/2012 and progress on actions from 2010/2011.

Members were reminded that the AGS was a statutory document, published each year with the Year-end Accounting Statements. It sets out what the Council's governance arrangements are and identifies areas where issues that the Council considers to be of sufficient significance must be reported.

Members were informed that Management was the cornerstone of the Annual Governance Statement process. The quarterly information provided by Heads of Service, and the quarterly reports, including actions, and the challenges at Programme Area Meetings, in an informal sense, provided regular, partial Annual Governance Statements to the Chief Executive.

It was reported that the stages for 2010/11 were:

- Capital Programme Budget and Performance Management;
- Risk Management;
- Project Management;
- Business Continuity Planning;
- Procurement;
- Transformation project;
- Insurance;
- Council Constitution;
- Data Protection;
- Partnership arrangements; and
- Adult Social Care Income.

RESOLVED

That the Committee agreed to note the progress to date and the outline plan for the remainder of the year.

33 Risk Management – 2011/12 Quarterly Review

The Head of Audit and Assurance provided the Committee with a report that detailed risk management activity that had taken place since the last meeting of the Audit Committee in September 2011.

Members were reminded that the Council recognised that risk management was not simply a compliance issue, but rather a way of viewing its operations with a significant impact on long-term viability. It was noted that the corporate risk register currently had 12 risks attached to it.

RESOLVED:

That the Audit Committee re-affirm their support for the Council's approach to Risk Management and to note progress made on the Corporate Risk Register as at Quarter 1 2011/12.

34 Update From The Strategic Risk & Resilience Forum

The Director for Policy provided the Committee with a report detailing the work activity being managed by the Strategic Risk & Resilience Forum in its task of ensuring the effective implementation and co-ordination of risk management, emergency planning, business continuity, governance and events management strategies.

It was reported that the Strategic Risk & Resilience Forum had identified key activities necessary to ensure the Council's robustness and was actively monitoring progress in such key areas. Update reports on all work areas would be provided by the Strategic Risk & Resilience Forum to both the Chief Executives Strategy Group and the Audit Committee on a regular basis.

RESOLVED:

That the Audit Committee note the current position of the Strategic Risk & Resilience Forum and confirm their support for the Council's approach to Risk & Resilience issues.

Signed
Chair of the meeting at which the Minutes were signed
Date