

AUDIT COMMITTEE

6.00 P.M.

20TH SEPTEMBER 2006

PRESENT:- Councillors Malcolm Thomas (Chairman), Ian Barker and Jon Barry
Shirley Burns (Substitute for Keith Budden)

Apologies for Absence

Councillors Alex Stone, David Whitaker and Geoff Wilson

Also in attendance:-

Mike Thomas Audit Commission

Officers in attendance:-

Roger Muckle	Corporate Director (Finance and Performance)
Nadine Muschamp	Head of Financial Services
Derek Whiteway	Internal Audit Manager
James Doble	Principal Democratic Support Officer
Sharon Marsh	Democratic Services

10 MINUTES

The Minutes of the meeting held on 28th June 2006 were agreed as a true and accurate record.

11 STATEMENT OF ACCOUNTS 2005/06

The Head of Financial Services submitted a report to update Members on the outcome of the audit, of the draft Statement of Accounts for 2005/06, and the auditor's conclusions.

It was reported that the Council had made a significant achievement in meeting the earlier, final statutory deadline for preparing the Statement of Accounts 2005/06.

Mike Thomas (Audit Commission) also praised the officers for meeting the deadline and commented that only a few minor amendments had been made as a result of the audit and that there was nothing significant to report to the Committee.

It was noted however, that the Council was running at a surplus for building control activities at the end of the three year accounting period and that this was an account that should break even. It was reported that this situation was under review.

The Statement included, for the first time, a letter of representation for signing by the Chairman of the Committee, and after hearing the Auditor's comments, it was agreed that the letter should be signed.

Resolved:

The report be noted and the Chairman be authorised to sign the letter of representation

included in the statement of Accounts.

12 ACCOUNTS & AUDIT (AMENDMENT) (ENGLAND) REGULATIONS 2006

The Internal Audit Manager submitted a report to seek the Committees approval for a course of action to meet the new statutory requirement that Councils undertake an annual review of the effectiveness of their Internal Audit functions.

The Committee was informed that internal control would be required to be looked at more formally. The Committee would need to be aware of what would be acceptable and what level of assurance they would require. Whilst guidance from The Chartered Institute of Public Finance and Accountancy (CIPFA) was planned it had not yet been received.

Members felt that a peer review would be a good idea, however it would be prudent to be selective over whom the peer was, that the peer was of a similar size, with a robust internal audit section. However, there was also a view that much of the re-assurance that a peer review would bring, could be gleaned from existing processes and procedures that were already available to the Council through the annual direction of travel and use of resources external judgments.

It was proposed by Councillor Shirley Burns and seconded by Councillor Malcolm Thomas:-

“That the Committee wait for guidance from CIPFA on any new requirements for establishing a ‘peer review’; and that when guidance is received the Internal Audit Manager report back to the Committee.”

Resolved:

That the Committee wait for guidance from CIPFA on any new requirements for establishing a ‘peer review’; and that when guidance is received the Internal Audit Manager report back to the Committee.

13 AUDIT COMMISSION REPORT – REVIEW OF INTERNAL AUDIT

The Internal Audit Manager introduced a report informing the Committee of, and to seek its views on, the results of a review of the Council’s Internal Audit function, carried out by the Audit Commission as part of the 2005/06 audit.

The Committee were pleased to note that the report was positive and that Internal Audit was effective and consistent, with good practice.

The few areas in which the Council is seen as not meeting CIPFA standards were noted and an action plan to improve on these was agreed.

The Committee discussed risk management, and it was agreed that risk management needed to be embedded in managers, and managers needed to ensure staff were thinking about the implications of every decision made.

Members agreed unanimously to support the two recommendations as set out in the report.

Resolved:

1. That the Committee accepts the Audit Commission's report and approves the action plan devised in response to the recommendations made.
2. That the Internal Audit Manager should report to a future meeting of the Committee on the progress made with implementing agreed actions.

14 INTERNAL AUDIT MONITORING

The Internal Audit Manager reported on the latest monitoring position regarding the 2006/07 Internal Audit Plan.

The Committee were asked to note the current monitoring position. They were also asked to be aware of the fact that at this time the 2006/07 Internal Audit Plan, in relation to project management had used the allocated man days for this work and that it was expected to need more time spent on it. It was noted though that at this stage it was felt that no adjustments were necessary to the Plan but that the position would be monitored.

Members agreed unanimously to support the two recommendations as set out in the report.

Resolved:

1. That the current monitoring position be noted.
2. That, in light of over-runs, the Internal Audit Manager continues to monitor the programme and seeks approval for any adjustments necessary in the next meeting of the Committee.

15 RESULTS OF INTERNAL AUDIT WORK

The Internal Audit Manager submitted a report that informed the Committee of the results of the Internal Audit work for the period.

Resolved:

That the report be noted.

Chairman

(The meeting ended at 7.02 p.m.)

**Any queries regarding these Minutes, please contact
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