

MINUTES OF THE AUDIT COMMITTEE

19 APRIL, 2007

Present:

Councillor M.L. Bouquet (Chairman)
Councillor J.D. Pinkerton (Vice-Chairman)

Councillors *K. Chouhan, Mrs. M. Hyams* and *E. O'Hara*

Officers

Deanna Harris – Head of Audit Services
Punita Talwar – Senior Auditor
Nighat Sheikh – Auditor
Trevor Baker – Senior Committee Manager
Gillian Hobbs – Committee Manager

103/07 MINUTES

RESOLVED that the minutes of the Special meeting held on 19 March 2007 be approved as a correct record.

104/07 QUARTERLY AUDIT AND RISK REPORT

The Head of Audit Services presented the report which outlined the work undertaken by Audit Services during the period January – March 2007 and responded to questions from Members. She highlighted significant areas of work including; internal audit partnership with Surrey Heath BC; work on behalf of external audit; IT security; waste and recycling project and risk management.

She confirmed that the outstanding recommendations to Community Services, reported to the January meeting of the Committee, had now been agreed by management and would be implemented within the next 3-6 months.

RESOLVED

That the contents of the Audit Services' Quarterly Report for January – March 2007 be noted.

105/07 AUDIT SERVICES ANNUAL PLAN

The Head of Audit Services presented the annual plan which showed how the Council aimed to fulfil the requirements of the Accounts and Audit Regulations 2003, by providing an effective internal audit service. Preparation of the plan was underpinned by formal risk assessments undertaken for each service during the year.

The Annual Plan also reflected the requirements imposed by external audit and it was noted that following the recent appointment of a new external auditor these requirements might change. In future Audit would review and roll forward the plan on a quarterly basis so that a 12 month work schedule was always in place for the service.

The Head of Audit Services explained to the Committee how the work was prioritised according to the level of risk involved. She also emphasised the corporate nature of the service and assistance for corporate projects, in work planned for the current year. These included the Business Improvement Programme, debt management, use of resources assessment, Corporate risk management and co-ordinating the Audit Commission's National Fraud initiative.

RESOLVED that the Audit Services Annual Plan 2007/08 as submitted be noted and approved.

106/07 COMMITTEE WORK PROGRAMME 2007

The Committee considered its revised Work Programme for June 2007.

RESOLVED that the Work Programme as submitted be approved.

107/07 CHANGE OF JUNE MEETING DATE

An additional report on the need to change the June meeting date of the Committee was circulated to Members at this meeting.

The Head of Financial Services had advised that the Audit Committee needed to approve the Statement on Internal Control (SIC) before the Council approved the Statement of Accounts which included the SIC. There was a statutory requirement to have the Statement of Accounts approved by 30 June by "a resolution of a committee of the relevant body".

Whilst the Audit Committee's current Terms of Reference permitted approval of the SIC, they did not give the Committee authority to approve the Statement of Accounts in accordance with the Accounts and Audit Regulations 2003 (10 (3)).

It was suggested that the June meeting of the Audit Committee be brought forward from the 26 to Thursday 7 June in order that the SIC, as part of the Statement of Accounts may be reported to and approved by this Committee and that any recommendations may be presented to Executive at its meeting on 19 June and then to Council on 21 June, to meet the statutory deadline.

RESOLVED

- a) that the June meeting of the Audit Committee be brought forward from the 26 to Thursday 7 June 2007 and
- b) that a report be brought to this Committee's June meeting in order to formulate recommendations to be placed before full Council seeking an amendment to the Terms of Reference of the Audit Committee to give it authority to approve the SIC and Statement of Accounts for 2008 and beyond.

108/07 CHAIRMAN'S THANKS

The Chairman of the Committee gave his thanks to all Members of the Committee and Officers for their support and contribution to the Audit Committee over the past year.