

MINUTES OF THE AUDIT COMMITTEE

24 JUNE 2010

Present:

Councillors:

| | | |
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| M.L. Bouquet | L.E. Nichols | Mrs C. Spencer |
| H.R. Jaffer | S.J. Rough | H.A. Thomson |
| | M.T. Royer | |

In attendance: Councillors Mrs V. J. Leighton, Cabinet Member for Finance and Resources and Mrs M.W. Rough.

195/10 ELECTION OF CHAIRMAN

RESOLVED that Councillor M.T. Royer be elected Chairman of the Audit Committee for the Municipal Year 2010-2011.

196/10 ELECTION OF VICE-CHAIRMAN

RESOLVED that Councillor M.L. Bouquet be elected Vice-Chairman of the Audit Committee for the Municipal Year 2010-2011

197/10 MINUTES

The minutes of the meeting held on 25 March 2010 were approved as a correct record.

The Chairman advised the Committee that the Head of Asset Management would not be attending the meeting as resolved at Minute 97/10, as there were no outstanding matters to be reported in relation to health and safety in leased properties.

198/10 CORPORATE RISK MANAGEMENT

The Senior Auditor reported that the Corporate Risk Register had undergone its regular quarterly review and update by the Corporate Risk Management Group to ensure that actions were being taken to deal with the identified risks. Progress on actions proposed at the last review had been documented on the Register and some new actions added. The revised Register was considered to be an accurate reflection of the high level risks affecting the Authority.

In relation to Minute 97/10 (a) regarding health and safety in leased properties, the Senior Auditor confirmed that all the affected properties had now been reviewed and that a procedure document to clarify the health and safety responsibilities at each property would be drawn up shortly.

In response to questions from members on additional security measures to meet the requirements of the Government Code of Connection, the Senior

Auditor agreed to circulate a briefing note to the Committee summarising the measures needed and how this would affect councillors' IT equipment.

The Senior Auditor agreed to seek clarification from the Head of Environmental Health and Building Control regarding the review of the risk assessment on contaminated land and include this information in the register. Members also requested the inclusion in the next Risk Register of risks specifically in relation to grants and funding, in view of the change in national government and the current economic situation.

RESOLVED that the contents of the updated Corporate Risk Register be noted and accepted.

199/10 AUDIT SERVICES ANNUAL REPORT 2009/2010

The Senior Auditor presented the report of the Head of Audit Services which summarised the work undertaken by Audit Services during the period April 2009 to March 2010 and provided an assurance opinion that the Council's internal control environment was adequate and effective. A list of outstanding audit recommendations had been circulated to members of the committee, separately.

She gave an update on the two issues which had been outstanding as at 31 March 2010 in relation to service plans and health and safety in leased properties, for which progress was noted.

The Committee expressed concern regarding the length of time that an action relating to Car Park machines had remained outstanding and sought assurance from the relevant Head of Service that the action would be completed by September 2010.

RESOLVED that the Audit Services Annual Report for the period April 2009 to March 2010, and the overall opinion on the Council's systems of internal control, be noted and approved.

200/10 ANNUAL GOVERNANCE STATEMENT

The Chief Finance Officer presented his report and outlined the content of the Annual Governance Statement (AGS) 2009-10. The Statement reviewed arrangements for corporate governance and internal control as required by the Accounts and Audit Regulations 2006.

The AGS identified actions to remedy any significant weakness in internal control.

A member expressed concern that the review of governance arrangements had not been scrutinised since the Code of Corporate Governance Task Group completed its work in 2007-08.

As scrutiny was not a function of the Audit Committee, members agreed to place the Annual Governance Statement in the work programme for further discussion.

Councillor L.E. Nichols requested, under Standing Order 21.4, that the voting on the recommendation be recorded.

AUDIT COMMITTEE, 24 JUNE 2010 - Continued

The voting was as follows:

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| FOR (6) | Councillors M.L. Bouquet, H.R. Jaffer, S.J. Rough, M.T. Royer, Mrs C. Spencer and H.A. Thomson |
| AGAINST (1) | Councillor L.E. Nichols |

RESOLVED that

1. the draft Annual Governance Statement be approved for inclusion within the Statement of Accounts for 2009/10 and
2. the improvement action identified in the Statement be endorsed.
3. the Annual Governance Statement be placed on the Committee's Work Programme for further discussion.

201/10 OUTTURN AND STATEMENT OF ACCOUNTS

The Chief Finance Officer presented the Statement of Accounts for 2009/2010 which was subject to review by the Council's External Auditors, and responded to questions from Members.

The Accounts and Audit Regulations required that the accounts for 2009/2010 be completed and approved by the Audit Committee by 30 June 2010, and be signed by the Leader of the Council and the Council's Chief Finance Officer.

The Chief Finance Officer advised members that a training session would be provided for the Committee ahead of next year's Statement of Accounts, to explain the impact of the requirements of the new International Financial Reporting Standards.

During consideration of the report, the Chief Finance Officer agreed to work with the Cabinet member for Finance and Resources, Councillor Mrs Leighton, to clarify the language and issues raised in the report to make it clearer for members to understand and re-circulate it to the Committee.

RESOLVED that

1. the draft Statement of Accounts for 2009/2010 be approved subject to the Chief Finance Officer including the amendments suggested at this meeting and
2. the Leader of the Council and the Council's Chief Finance Officer be authorised to sign the Statement of Accounts.

202/10 COMMITTEE WORK PROGRAMME FOR 2010/2011

The Committee considered its Work Programme for the 2010/2011 Municipal year. Members noted that any further issues raised at this meeting would be added to this Work Programme. An addition to the Programme would be to discuss the Annual Governance Statement.

RESOLVED that the Committee Work Programme for the 2010/2011 Municipal year, as amended above, be approved and adopted.

