

## **Minutes of the Audit Committee**

**20 September 2012**

### **Present:**

Councillor D. Gohil (Chairman)

Councillors:

Mrs M.J. Madams                      A.C. Patterson

**Apologies:** Councillors C. M. Frazer, C.V. Strong and Mrs S. Webb

### **260/12            Minutes**

The minutes of the meeting held on 24 May 2012 were approved as a correct record

### **261/12            Disclosures of Interest**

There were none.

### **262/12            External Audit Report on 2011/12 Audit and Statement of Accounts**

The Chief Finance Officer reported that external auditors appointed by the Audit Commission, KPMG, were required, in accordance with international auditing standards, to report annually to the Council on:

- Their opinion on the Statement of Accounts
- Any uncorrected items in the Statement of Accounts
- Qualitative aspects of the Council's accounting practices and financial reporting
- The Annual Governance Statement
- Their annual Value for Money conclusion

They also reported annually on their audit of the Council's accounting and internal control systems.

Richard Irish and Tamas Wood, on behalf of KPMG presented the report and responded to Members' questions. Mr Irish advised that subject to all outstanding queries being resolved to their satisfaction, KPMG anticipated issuing an unqualified audit opinion and Value for Money conclusion by 30 September 2012.

He thanked the internal audit team for the work it carried out on their behalf and on which they placed a great deal of reliance.

**RESOLVED** that:

1. the External Auditor's 2011/12 audit report be noted;
2. the Chief Finance Officer sign the letter of representation (as attached to appendix 5 of the Auditors' report);

3. the Chief Finance Officer and Chairman of the Committee sign the statement of accounts and
4. the draft officer responses to the recommendations made in Appendices 1 and 2 of the Auditors' report be noted.

**263/12 Corporate Risk Management**

The Internal Audit Manager 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. The revised Register was considered to be an accurate reflection of the high level risks affecting the Authority as well as the progress made on actions previously proposed.

She highlighted progress in a number of areas, including the issue of staff morale. The Committee was pleased to note that an independent survey of staff was being arranged.

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

**264/12 Audit Services Annual Report**

The Head of Audit Services presented her report which summarised the work undertaken by Audit Services during the period April 2011 to March 2012 and provided an assurance opinion that the Council's internal control environment was adequate and effective. Any shortcomings identified with a significant level of risk attached had been transferred onto the Corporate Risk Register for quarterly Monitoring by the Management Team and Audit Committee.

**RESOLVED** that the Audit Services Annual Report for the period April 2011 to March 2012, and the overall opinion on the Council's systems of internal control, be noted and approved.

**265/12 Annual Governance Statement**

The Chief Finance Officer presented his report and outlined the content of the Annual Governance Statement (AGS) 2011-12. The Statement reviewed arrangements for corporate governance and internal control as required by the Accounts and Audit Regulations 2006.

The AGS also identified any areas of significant weakness in internal controls, and areas for improvement, and the actions taken to remedy these.

**RESOLVED** that the draft Annual Governance Statement at Appendix 1 to the report of the Chief Finance Officer be approved and that the improvement actions identified in the Statement be endorsed

**266/12 Report on the Effectiveness of the System of Internal Audit**

The Head of Audit Services presented her report which reviewed the system of internal audit and was a statutory requirement of the Accounts and Audit Regulations. The nature of such a review was not specified externally but the

following issues had been considered to provide assurance that the Council maintained an adequate and effective system of internal audit: meeting the aims and objectives of the Audit Plan; compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice 2006; external audit assessment; adding value and assisting the organisation in achieving its objectives; achievements 2011/12 and the Improvement Plan 2012/13.

**RESOLVED** that the report on the effectiveness of the system of internal audit be noted.

**267/12      Anti Fraud, Bribery and Corruption Strategy**

The Head of Audit Services presented the report on the annual review of the Anti Fraud, Bribery and Corruption Strategy. She highlighted the steps taken in the past year to improve fraud awareness for all staff and members through the circulation of fraud awareness leaflets and the provision of training.

**RESOLVED** to note the review of the Anti Fraud, Bribery and Corruption Strategy.

**268/12      Committee Work Programme 2012-13**

The Committee considered its Work Programme for the 2012/2013 Municipal year.

**RESOLVED** that the Committee Work Programme for the 2012/2013 Municipal year, be approved.