

**Minutes of the Audit Committee  
19 September 2013**

**Present:**

Councillor D. Gohil (Chairman)

Councillors:

J.A. Dale

A.C. Patterson

C.V. Strong

**Apologies:** Apologies were received from Councillors A.C. Harman and M.J. Madams.

**253/13        Minutes**

The minutes of the meeting held on 27 June 2013 were approved as a correct record.

**254/13        External Audit Report on 2012/13 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.

Paul Cuttle and Tamas Wood, on behalf of KPMG presented the report and responded to Members' questions. They expected to issue an unqualified audit opinion by 30 September 2013.

They concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

**RESOLVED** that:

1. The Audit Committee notes the External Auditor's 2012/13 audit report;
2. the Chief Finance Officer sign the letter of representation (as attached to appendix 4 of the Auditors' report);
3. the Chief Finance Officer and Chairman of the Committee sign the statement of accounts and
4. the Audit Committee notes the draft officer responses to the recommendations made in Appendices 1 and 2 of the Auditors' report.

**255/13 Corporate Risk Management**

The Head of Audit Services reported that the Corporate Risk Register had undergone its regular quarterly review and update by the Corporate Risk Management Group and Management Team 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. Progress on actions was documented on the register, and a RAG (red, amber, green) rating assigned to each risk category to highlight the level of progress made. The Head of Audit Services highlighted the areas in which progress had been made.

The Committee discussed the issues around implementation of the inspection regime in parks and the availability of in-house expertise in relation to the horticultural contract management. The Committee noted the Head of Streetscene's intention to undertake some horticultural training as a positive step.

The Committee asked that the Head of Streetscene attend the next Audit Committee to give an update on progress with the new inspection regime and the provision of internal horticultural expertise to manage the grounds maintenance contract and tree maintenance works.

**RESOLVED** that:

1. The Corporate Risk Register be noted and
2. The Head of StreetScene be asked to attend the next Audit Committee to outline the steps taken to mitigate the risks associated with grounds maintenance.

**256/13 Effectiveness of the System of Internal Audit**

The Head of Audit Services presented her report on the effectiveness of the system of internal audit. She referred to various performance indicators used to assess the system of internal audit including the Service Plan, Audit Plan, professional standards, external audit reliance and achievements in 2012/3. She also referred to the improvement plan for 2013/4 although these would need to be modified in light of staff sickness.

Members thanked the Audit Team for their work and commended the Head of Audit services for a very clear report.

The Committee praised staff for trading in-house expertise with other Surrey authorities and particularly acknowledged the savings and income generated as a result of this trading.

**RESOLVED** that the Effectiveness of the System of Internal Audit Report be noted.

**257/13 Annual Governance Statement**

The Chief Finance Officer presented his report and outlined the content of the Annual Governance Statement (AGS) 2012-14. 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.

**258/13 Committee Work Programme**

The Committee considered its Work Programme for the 2013-2014 municipal year.

**RESOLVED** to note the Committee Work Programme 2013-2014 as submitted, with the addition of attendance by the Head of StreetScene at the next Audit Committee on 12 December 2013.