

## **Audit Committee – Meeting held on Tuesday, 21st June, 2011.**

**Present:-** Mr Kwatra, Councillors Kwatra (Chair), Carter, Chohan, Haines (Vice-Chair), Small and Smith

### **PART 1**

#### **1. Election of Chair**

**Resolved** - That Mr Kwatra be appointed as Chair of the Audit Committee for the municipal year 2011/2012.

(Mr Kwatra in the Chair)

#### **2. Election of Vice-Chair**

**Resolved** - That Cllr Haines be appointed as Vice-Chair of the Audit Committee for the municipal year 2011/2012.

#### **3. Declarations of Interest**

None.

#### **4. Minutes of the last meeting held on 25th January 2011**

The minutes of the last meeting held on 25<sup>th</sup> January 2011 were agreed as a correct record.

#### **5. Establishment of Working Group to Review the draft Annual Governance Statement**

Emma Foy, Acting Head of Finance, informed Members that a working group was required to work in conjunction with the Strategic Director of Resources, to ensure that the Annual Governance Statement (AGS) was complete and consistent with the operations of the local authority and complied with relevant guidance.

It was requested that the Audit Committee nominate members to be appointed to a working group to review and challenge the contents of the AGS. It was brought to Members attention that the AGS needed to be approved as part of the statement of accounts before the 30<sup>th</sup> September 2011. It was anticipated that the working group would meet during July 2011.

Ms Foy advised that although the Working Group would review the AGS in detail, all Members of the Committee were welcome to comment on the contents of the AGS.

**Resolved** – That Councillors Haines, Small and Smith be appointed to the working group to review the draft Annual Governance Statement.

**6. Audit Commission - Pre-Audit Report**

Members were reminded that Annual Audit Plan (AAP) for 2010/2011 was presented to the Audit Committee in January 2011. Since this meeting the pre statement audit work as described in the plan had been completed. The supplementary audit plan summarised the key issues arising from the pre statement work and how these impacted on the testing strategies for financial statements audits attached to the original plan and an update on the value for money conclusion work plan.

Mr Rankin, from the Audit Commission, explained that in the January 2011 Audit Plan a key requirement for the Council was to address weaknesses in internal control that had been reported in the 2009/10 Annual Governance report. Improvement in this area would enable greater reliance to be placed on the controls within the Council's key financial systems and reduce the level of substantive year-end testing.

It was noted that the testing of the Council's reliance on system's control was complete and the findings were summarised for Members' attention. It was noted that the risk assessment of the Council's IT arrangements had been completed and access controls were sound and procedures in place to deal with starters and leavers. However, it was recommended that Officers review the password standards for Oracle in order to be brought in line with corporate standards.

Another area of specific risk had been highlighted relating to the valuation of fixed assets and although improvements had been made, there were still borderline judgements in relation to the valuation of Council homes and incorrect valuations of community assets. It was noted that the Audit Commission's team had met with the Council's Valuer and finance staff to discuss the arrangements for the valuation of assets and the year end certification arrangements proposed to support the entries in the account. Committee Members were informed that the Audit Commission were satisfied that appropriate arrangements were in place for valuation of Council assets.

**Resolved** – That the report be noted.

**7. Date of the next meeting - Monday 12th September 2011**

The date of the next scheduled meeting was noted as Monday 12<sup>th</sup> September 2011.

The Interim Head of Internal Audit, Sarah Sarll, reported that an additional meeting was required of the Audit Committee in July 2011 to consider a number of reports including Head of Internal Audit annual report and annual report on Anti-Fraud. It was agreed that the additional meeting would be held on Wednesday 27<sup>th</sup> July 2011 at 6.30pm.

**Audit Committee - 21.06.11**

(Note: The Meeting opened at 6.30 pm and closed at 7.10 pm)