

AUDIT COMMITTEE

MINUTES of the meeting held on Wednesday, 2 March 2011 commencing at 11.00 am and finishing at 1.55 pm

Present:

Voting Members: Councillor David Wilmshurst – in the Chair

Councillor Ray Jelf (Deputy Chairman)

Councillor Alan Armitage

Councillor Nick Carter (In place of Councillor A.M. Lovatt)

Councillor Charles Mathew

Councillor John Sanders (In place of Councillor Roy Darke)

Councillor Larry Sanders

Councillor C.H. Shouler

Councillor Lawrie Stratford

**Non-voting
Co-optees:** Dr Geoff Jones

**Other Members in
Attendance:** Councillor Jim Couchman (for all Agenda Items)

By Invitation: Mary Fetigan & Maria Grindley (Audit Commission)

Officers:

Whole of meeting Ian Dyson, Assistant Head of Finance (Audit), Lorna Baxter (Acting Head of Corporate Finance), Peter Clark (Head of Law & Governance), Geoff Malcolm (Committee Services).

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

10/11 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apology from	Substitute
Councillor Roy Darke	Councillor John Sanders
Councillor A. M. Lovatt	Councillor Nick Carter

11/11 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 2)

Councillor Shouler declared a personal interest in Agenda Item 7 'Internal Audit Services – Internal Audit Strategy 2011/12' by virtue of being a 'Blue Badge' holder.

12/11 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on 19 January 2011 (AU3) were approved and signed.

Matter arising: Minute 6/11 (AWG3)

Members seeking information on the availability of training on financial matters for school governors could contact Mr. Dyson, Assistant Head of Finance (Audit) direct.

13/11 AUDIT COMMISSION - PROGRESS REPORT

(Agenda No. 5)

Ms. Fetigan, Audit Commission introduced the March 2011 external audit progress report (AU5). It identified the work that the Commission would deliver as part of its 2010/11 plan, and progress against the plan. She confirmed that there were no key messages or challenges for the Committee at this stage.

RESOLVED: to receive and note the Audit Commission Progress Report (AU5) and thank Ms Fetigan & Ms Grindley, Audit Commission.

14/11 REVIEW OF AUDIT WORKING GROUP TERMS OF REFERENCE AND WORK PROGRAMME

(Agenda No. 6)

The Committee considered annually the Audit Working Group Terms of Reference and Work Programme.

Mr. Dyson introduced the paper (AU6). The Terms of Reference had been updated and no procedural changes were proposed. Members' attention was drawn to the Group's Work Programme for 2011/12.

RESOLVED: to adopt the Audit Working Group Terms of Reference and Work Programme 2011/12.

15/11 INTERNAL AUDIT SERVICES - INTERNAL AUDIT STRATEGY 2011/12

(Agenda No. 7)

The Committee considered the Internal Audit Services - Internal Audit Strategy 2011/12 (AU7). Mr. Dyson introduced the paper and made some minor amendments to the text, as follows:

AU3

- the paragraph numbering; and
- under the 'Analysis of days' heading, line one, fourth column 2010/11 was deleted and 2011/12 substituted.

The paper presented in detail the Internal Audit Strategy including the resources available and how services would be delivered in 2011/12. It outlined the changes being made in the light of the significant changes in the Council over the next few years and how services would be delivered in 2011/12. He then responded to members' questions and comments focusing on staffing and capacity, risk management and performance monitoring & reporting.

RESOLVED:

- a) to note the Internal Audit Strategy 2011/12;
- b) that quarterly Internal Audit Plans and progress reports are received by the Audit Committee for consideration and approval;
- c) that the Audit Working Group review with the relevant manager all Internal Audit reports where an opinion of "Unacceptable" is given to ensure that management are taking appropriate and timely action; and, receive a monitoring report at each meeting on the status of all management actions arising from Internal Audit reports, where necessary asking managers to explain where actions are not completed on time; and
- (d) to hold an informal member/officer meeting to consider risk / performance management & audit in the light of the Council's organisational changes, on a date to be determined by the Chairman following consultation with Committee members and key officers.

16/11 AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL 2011

(Agenda No. 8)

On 29 November 2006 the Committee had adopted a process for preparing the report to Council in respect of the Committee's performance on the implementation of its Work Programme, as follows: 'The Chairman & Deputy Chairman in consultation with the Assistant Head of Finance (Audit) to draft the report for comment by the Opposition Group Spokesman and the Chairman of the Audit Working Group and submission to the Committee.'

The Committee considered the draft Annual Report (AU8) prior to its submission to Council. The Chairman introduced the Report whose key purpose was to detail the role of the Committee and to summarise key activities and achievements in 2010 which demonstrated how the Committee had fulfilled its role effectively. He commended the Committee's strong working relationship with both internal and external auditors and expressed thanks to members, officers and the Audit Working Group and its Chairman Dr. Geoff Jones for their work and support during the year.

RESOLVED: to endorse the Annual Report to Council 2011 subject to the following:

- minor textual and grammatical corrections;
- under 'key activities-internal control' - the addition of a reference to 'SAP in schools'; and
- under 'summary of membership' - the addition of a reference to Audit Committee member attendance at Audit Working Group meetings as set out in the Group's terms of reference.

17/11 WORK PROGRAMME 2011/12

(Agenda No. 9)

The Committee considered its future Work Programme (AU9).

RESOLVED: to adopt the Work Programme subject (at the suggestion of Dr. Geoff Jones, Chairman of the Audit Working Group) in June 2011 to the deletion of the item 'Audit Working Group (AWG) Chairman's Annual Review of Activities 2010/11', as the key AWG matters had already been included in the Committee's Annual Report to Council.

..... in the Chair

Date of signing