

DECISIONS OF THE AUDIT COMMITTEE

29 JUNE 2009

COMMITTEE:

*Councillor Jeremy Davies BA (Hons) CPFA (Chairman)

*Councillor John Marshall (Vice-Chairman)

Councillors:

* Danish Chopra

* Geof Cooke

* Daniel Webb

* Tom Davey

Andreas Tambourides

*denotes Member present

\$ denotes Member absent on Council Business

1. MINUTES:

RESOLVED – That the decisions of the meeting held on 27 April 2009 be approved as a correct record.

2. ABSENCE OF MEMBERS:

Apologies for lateness were received from Councillor Tom Davey and Councillor John Marshall.

3. PUBLIC QUESTION TIME:

There were no public questions.

4. DECLARATIONS OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:

No interests were declared.

5. MEMBERS' ITEMS (Agenda Item 5):

There were no Members Items.

6. INTERNAL AUDIT AND ANNUAL REPORT (Report of the Acting Head of Internal Audit and Ethical Governance – Item 6)

The Acting Head of Internal Audit and Ethical Governance introduced the report and explained that it was the most up to date information available. The Committee expressed concern at the number of follow up audits that were recording "Limited assurance". The Committee also expressed concern at the number of audits which had not shown improvement on follow-up. The Committee also felt that the definition of 'Limited Assurance' was unclear.

The Acting Head of Internal Audit and Ethical Governance confirmed that work had been planned with regards to Data Quality in the Annual Audit Plan for 2009/10.

The Acting Head of Internal Audit and Ethical Governance explained that maximising income with regard to Parking Pay and Display Machine Maintenance and Cash Collection related to the arrangements of underperforming machines. A follow up audit would show the level of improvement in this area and if necessary, this will be raised with the Acting Director of Environment and Transport.

RESOLVED –

(1) That the Committee notes the contents of the report and the actions being carried out to address deficiencies.

(2) That, in future, a follow up audit would be expected to find a level of improvement when an original audit assurance is registered as 'Limited' or 'No Assurance' or a rationale of its status must be provided to the Committee if there is no change in assurance.

(3) That the latest information from the respective Directors with regard to audits concerning Central Contract Monitoring, Housing Revenue Accounts Monitoring, Customer Billing and Capital Expenditure be presented at the next meeting of the Committee and that the respective Directors be in attendance

7. ANNUAL REPORT OF THE CORPORATE ANTI FRAUD TEAM (Report of the Corporate Anti Fraud Team Manager and the Deputy Director of Corporate Governance – Item 7)

The Corporate Anti Fraud Team Manager and the Deputy Director of Corporate Governance introduced the report.

The Committee noted the comparison chart on all 'fraud types resulting in prosecution & sanctions in 2008/09 against 2006/2007 & 2007/2008' and queried why there was an increase in 2008/09 in the level of fraud type 'undeclared capital'. It was explained that a new 'undeclared capital' data match was developed and introduced by the Department of Work and Pensions which assisted the Corporate Anti Fraud Team in 2008/09 in identifying anomalies in existing Housing Benefit/Council Tax Benefit claims which in turn resulted in an increase in prosecution & sanctions in 2008/09 against this level of fraud.

It was also clarified that the fraud type 'non declared income' is not inclusive of income tax evasion as this is investigated by Her Majesty's Revenue and Customs (HMRC).

RESOLVED -

(1) That the Committee notes the contents of the Corporate Anti Fraud Team's Annual Report for 2008/09.

(2) That, in future, the annual report of the Corporate Anti Fraud Team should include as an appendix a copy of all reports on overpayment write offs that are reported to Cabinet from the Benefit Service.

8. ANNUAL AUDIT AND INSPECTION LETTER 2007/08 (Report of the Director of Resources & Chief Finance Officer - Item 8)

The Director of Resources and Chief Finance Officer introduced the report and explained that the Council had lost a star under the Comprehensive Performance Assessment, however, this has been replaced by the Comprehensive Area Assessment which will publish its first findings in 2009. The Committee particularly noted that investment had been made in the Library Service with improved facilities and an increase in the number of books borrowed.

RESOLVED –

(1) That the Audit Commission Annual Audit and Inspection Letter for

2007/08 be accepted as a reasonable statement of the Council's position in respect to financial standing and financial and performance management arrangements.

9. EXTERNAL AUDIT FEES 2009/10 (Report of the Director of Resources and Chief Finance Officer - Item 9)

The Director of Resources and Chief Finance Officer explained that the audit for 2008/09 had not yet been completed and a detailed plan after the audit had been completed would be brought back to the Committee.

The Director of Resources also explained that the £85,000 for the certification of claims and returns provided by the Council was only an indicative fee and was subject to change.

RESOLVED – That the annual audit fee 2009/10 letter from Grant Thornton UK LLP be noted.

10. 2008/09 STATEMENT OF ACCOUNTS (Report of the Director of Resources and Chief Finance Officer - Item 10)

The Statement of Accounts was circulated at the Committee.

The Director of Resources explained that the statement of accounting policies had not changed and that the Pensions Fund was not included in the group accounts.

RESOLVED –

(1) That the Committee agrees that the Statement of Accounts be signed by the Chairman as having been approved.

(2) That the Director of Resources and Chief Finance Officer, in consultation with the Chairman of the Audit Committee, be authorised to agree significant changes, if any, to the draft Statement of Accounts following discussions with the external auditor and inform members of the Committee accordingly.

(3) That the Committee receives a briefing on the International Financial Reporting Standards and the impact on the Statement of Accounts as part of its training program in the next twelve months.

11. DRAFT ANNUAL GOVERNANCE STATEMENT (Report of the Director of Corporate Governance - Item 11)

The Director of Corporate Governance introduced the report and explained that other officers have contributed to the report as well as having consulted informally with Grant Thornton LLP.

The Director of Corporate Governance further explained that the report would return to the Committee in September 2009 for final approval.

Richard Tremeer of Grant Thornton LLP stated that there is an intention to improve the reporting of Risk Registers to the Audit Committee.

RESOLVED – That the proposed Draft Annual Governance Statement for inclusion with the Statement of Accounts for 2008/9 be approved.

The meeting closed at 9.32pm

