

## DECISIONS OF THE AUDIT COMMITTEE

11 MARCH 2010

COMMITTEE:

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

\*Councillor John Marshall (Vice-Chairman)

Councillors:

Danish Chopra                      Tom Davey                                      \* Darrel Yawitch  
\* Geof Cooke                      \* Andreas Tambourides

\*denotes Member present

**1. MINUTES:**

RESOLVED – That the decisions of the meeting held on 16 December 2009 be approved as a correct record.

**2. ABSENCE OF MEMBERS:**

Apologies for absence were received from Councillors Tom Davey and Danish Chopra.

**3. PUBLIC QUESTION TIME:**

There were no public questions.

**4. DECLARATIONS OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:**

There were no interests declared.

**5. MEMBERS' ITEMS (Agenda Item 5):**

There were no Members' Items.

**6. GRANTS REPORT 2008/09 (Report of the Interim Assistant Director of Finance – Agenda Item 6)**

Maryellen Salter from Grant Thornton LLP and the Interim Assistant Director of Finance presented the report.

RESOLVED –

1. That the matters raised by the External Auditor relating to the grants submission and certification process be noted.
2. That the Officer response to the matters raised by the External Auditors be noted.
3. That the Interim Assistant Director of Finance be instructed to investigate and resolve the issues regarding the Housing Revenue Account (HRA) Base Data return and the Teachers' Pensions London Academy return and ensure that the grants are fit for purpose and report back to the Chairman of this Committee.

**7. ANNUAL AUDIT LETTER 2008/09 (Report of the Interim Assistant Director of Finance – Agenda Item 7)**

The Interim Assistant Director of Finance presented the report. She stated that the Council performed well in respect of the key aspects of the 2008/09 audit. She advised that a score of 2 by Key Line of Enquiry (KLoE) was a good standard to be at as a score of 3 reflected best practice and outstanding performance.

RESOLVED – That the Audit Commission’s Audit Letter for 2008/09 be accepted as a reasonable statement on the Council’s position in respect to financial standing, and financial and performance management arrangements.

**8. AUDIT PLAN 2009/10 (Report of the Interim Assistant Director of Finance – Agenda Item 8)**

The representatives from Grant Thornton LLP presented the report. They stated that three main audit risks have been identified in the audit plan along with a planned audit response. The risks were International Financial Reporting Standards (IFRS), Statement of Recommended Practice on Local Authority Accounting 2009 SORP and Accounts process improvements.

RESOLVED – That the External Auditor’s Audit Plan for 2009/10 be noted.

**9. ANNUAL REVIEW OF AUDIT COMMITTEE’S EFFECTIVENESS (Report of the Director of Corporate Governance – Agenda Item 9)**

The Committee noted a typographical error to paragraph 9.2 of the report in that line three should read “Appendix D”. The Director of Corporate Governance stated that most of the responses in measuring the effectiveness of the Audit Committee were in the affirmative with only three answers recorded as “partially”. The Committee observed that training should be arranged at a time when members of the Committee would be most receptive and that training, which is scheduled at the end of a Committee meeting, may not be the most appropriate time.

RESOLVED –

1. That the annual review of the Audit Committee’s effectiveness in 2009/10 be noted.
2. The Committee considered the Committee’s terms of reference as set out in the Constitution, and at Appendix B to the report, and did not make any recommendations for change to the Special Committee (Constitution Review).

**10. AUDIT COMMITTEE WORK PROGRAMME FOR 2010/2011 (Report of the Director of Corporate Governance – Agenda Item 10)**

The Interim Chief Internal Auditor presented the report. He advised the Committee that he was proposing that the Committee receive quarterly Internal Audit progress reports and in a different format.

RESOLVED –

1. That the programme of work for the Committee for 2010/11 as set out in Appendix A to the report be approved.

2. That the proposals for Member briefings as set out in paragraph 9.9 of the report be approved and continued.
3. That a reserve meeting date in February 2011 be confirmed, should there be a business need.

**11. INTERNAL AUDIT ANNUAL PLAN 2010/2011 (Report of the Interim Chief Internal Auditor – Agenda Item 11)**

The Interim Chief Internal Auditor presented the report. He advised that the Internal Audit Service would be assisting Directorates to improve their internal controls and risk management. The Committee suggested that it would be a good idea for training on treasury management policy to be incorporated into the training for members of the Committee. Officers agreed to take the suggestion forward.

RESOLVED –

1. That the Internal Audit Annual Plan for 2010/11 be approved.
2. That should there be any alteration in any of the significant risks this be reported back to the Committee.

**12. ANNUAL WORKPLAN OF THE CORPORATE ANTI FRAUD TEAM 2010/11, REVISED COUNTER FRAUD FRAMEWORK AND NEW ANTI MONEY LAUNDERING FRAMEWORK (Report of the Acting Corporate Anti Fraud Team Manager and of the Director of Corporate Governance – Agenda Item 12)**

The Committee also received a presentation from the Acting Corporate Anti Fraud Team Manager on this matter.

RESOLVED –

1. That the Committee note the contents of the Corporate Anti Fraud Team (CAFT) Annual Work Plan for 2010/11.
2. That the Committee note the contents of the revised Counter Fraud Framework.
3. That the Committee note the contents of the new Anti Money Laundering Framework.

**13. CHILDREN'S SERVICE – DIRECTORATE RISK REGISTER (Report of the Director of Children's Service – Agenda Item 13)**

The Assistant Director, Partnerships, Performance and Planning, Children's Service presented the report.

RESOLVED – That the Children's Service approach to Risk Management within corporate policy be noted.

**14. VOTE OF THANKS**

It being the last meeting of the municipal year 2009/2010, the Vice-Chairman and the Committee thanked the Chairman for the courteous and effective way he had conducted the meetings of the Audit Committee in 2009/2010.

The Chairman thanked both the past and present members of the Committee and the officers for the support that he had received from them during municipal year 2009/2010.

The meeting closed at 8.27pm