

**MINUTES OF THE AUDIT COMMITTEE**  
**Tuesday, 18<sup>th</sup> December 2007 at 4.30 pm**

PRESENT: Councillor Cummins (Chair) and Councillor J Moher.

Apologies for absence were received from Councillor HM Patel.

*Introduction*

The Chair welcomed everyone to the meeting and, commenting on recently received anti-fraud training, noted that members had found it extremely helpful and that they recommended that a similar training session be offered to all Members of the Council.

**1. Declarations of Personal and Prejudicial Interests**

None.

**2. Minutes of the Previous Meeting**

RESOLVED:-

that the minutes of the previous meeting held on 19<sup>th</sup> September 2007 be approved as an accurate record.

**3. International Standard on Auditing (ISA)260**

Officers introduced a report on the International Standard on Auditing (ISA)260 by explaining that the main report had been embargoed by the Audit Commission until after the agenda for this meeting had been published and had therefore been circulated to members more recently.

It was noted that the ISA had been presented in draft form to the previous meeting along with a report on the 2006-07 accounts and that the accounts had now been signed off with a clean opinion but that they would not be formally closed until a challenge raised by a member of the public had been resolved.

It was explained that problems had been identified regarding Registered Social Landlord debts and that a significant amount was under dispute, it had been recommended that this issue be dealt with in some urgency but that it wouldn't affect the overall judgement on the accounts and that the recent build up of balances and resources had made it possible to absorb the recent charges from the PCT.

On 'Use of Resources' the Council continued to generally score a strong 3 out of 4, with 4 out of 4 in Financial Standing. This was considered good progress on tougher tests than before and it was hoped to improve on these scores for next year.

Members were informed that future reports would outline progress in achieving the management actions that were outlined to address existing concerns.

RESOLVED:-

that members note the ISA260 report from PwC and the management actions to address issues raised within it.

#### **4. Data Quality Review 2007/08**

A report presenting the outcome of the 2007-08 Data Quality Review carried out by PricewaterhouseCoopers (PWC) was presented to members.

Members were reminded about how the Audit Commission introduced this process a couple of years ago and that the Council was now taking actions to ensure our data was accurate and reliable.

Officers explained the methodology behind the three stage audit including the standards to be measured against, examining how we were currently performing and the process of spot checks on service areas. Particular note was made of work to improve processes in the library service and Members requested that a report be prepared for a future meeting on this specific project.

RESOLVED:-

that the committee note the recommendations made in the *Data Quality Review 2007*.

#### **5. Internal Audit Progress Report 2007/08**

Officers provided an update on the Internal Audit Plan, revealing that by the end of December they were expecting to have achieved well over 60% of the target work for the year and that this meant they were on course to complete 100% of their target by the end of the financial year.

Officers presented the details of the report including a list of the audits being undertaken and their progress towards completion. Completed audits were noted along with any related recommendations and Members were informed that more final reports would be available by the time of the next meeting.

In discussion Members asked whether the timetable was realistic and officers responded that it was in part due to the additional resources available this year. Officers further explained that many of the outstanding audits related to financial systems and were always completed at the end of the financial year but that there were also a number of schools audits to be undertaken and it was confirmed that there was some scope in the outsourced contract to alter the work load expected depending on future circumstances.

Finally, the committee was asked to review the spread of assurance opinions, with the majority being substantial and only a few limited. The recommendations to improve the limited areas were listed and noted.

RESOLVED:-

that the Committee note the progress made in achieving the 2007/08 Internal Audit Plan.

## **6. New CIPFA / SOLACE Corporate Governance Arrangements**

The new Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Corporate Governance Arrangements were presented to the committee by officers. It was explained that this was an update from the 2001 framework and that it would be distributed to key members and officers.

The committee was advised that the report focused on the requirements for Members arising from the new governance framework and the committee were asked to take a view on how these requirements were to be addressed.

Officers asked Members to note the key role that they needed to play including in setting the council's vision and leadership tone and the importance of their work with officers at all levels, including with the senior management team. And the role of this committee in auditing and overseeing the process.

A discussion followed as to how best to introduce the framework and on the important role that the Executive and the Corporate Management Team (CMT) would need to play in driving this process. Officers reported that the CMT had agreed to form a sub-group to head up this project. Members were also given assurances that they would receive an honest assessment on progress made.

The Chair noted that the report suggested a large amount of work would be completed before the Audit Committee was next due to meet and Members requested that they be provided with a detailed report at that meeting to show progress and issues that may have arisen to that point.

The committee was asked to note that it had a responsibility to oversee the new Annual Governance Statement that resulted from the new arrangements and that this document would be published each year with the annual accounts and signed off by the Chief Executive and Leader of the Council.

**RESOLVED:-**

that the Committee note the new requirements of the framework and particularly the key role which Members play in ensuring good governance.

## **6. Date of the Next Meeting**

The next meeting was scheduled to take place on 4<sup>th</sup> March 2008.

## **7. Any other business**

None.

The meeting ended at 6.07 pm

**M CUMMINS**  
Chair

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