

## **Minutes of a meeting of the Audit Committee held on 25th September 2012 from 7.00 p.m. to 8.50 p.m.**

**Present:** Andrew Lea (Chairman)  
Bruce Forbes (Vice-Chairman)\*

Simon Banham	Heidi Brunsdon
Stephen Barnett	Sue Seward

**Also Present (as an appointed substitute):** Councillor Edward Belsey.

**Also Present:** Helen Thompson and Simon Mathers from the Audit Commission  
Ben Durrant from Haines Watts, Internal Auditors.  
Peter Stuart, Head of Finance and ICT and Section 151 Officer.

\* Absent

### **10. SUBSTITUTES AT MEETINGS OF COMMITTEE – COUNCIL PROCEDURE RULE 4**

The Committee noted that, in accordance with Council Procedure Rule 4 – Substitutes at Meetings of Committees etc. Councillor Edward Belsey had replaced Councillor Bruce Forbes for the duration of the meeting.

### **11. APPOINTMENT OF VICE-CHAIRMAN**

The Chairman proposed that, in the absence of the Vice-Chairman, Councillor Brunsdon be appointed Vice-Chairman for this meeting. This was agreed by the Committee.

#### **RESOLVED**

That Councillor Heidi Brunsdon be appointed Vice-Chairman for the duration of the meeting.

### **12. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Bruce Forbes.

### **13. DECLARATIONS OF INTEREST**

There were none.

### **14. MINUTES**

The minutes of the meeting of the Committee held on 26th June 2012 were agreed as a correct record and signed by the Chairman

### **15. ANNUAL GOVERNANCE REPORT 2011/12**

The Committee received the Annual Governance Report which gives the Council the Auditor's Opinion on both the financial statements and the arrangements to secure Value for Money.

Helen Thompson from the Audit Commission introduced the report and informed the Committee that the drawing up of the accounts had been a much smoother process this year and thanked Officers for the ongoing work they had carried out during the year. She added that she would be in a position by the end of the week to issue an unqualified audit opinion.

She referred to the tabled item, Explanation of 'Uncorrected error' in Appendix 2, and explained that she had raised the issue of the Council's treatment of a short term investment. There is a difference of opinion as how to interpret one of the standards by which financial statements are drawn up, but, given that this is not material to the accounts she sought the Committee's approval for her approach on the basis of the explanation given in the tabled paper.

She then took Members through the remaining Appendices contained in the report. The Chairman thanked Ms. Thompson for her report and opened the floor for questions from Members.

A number of Members raised the issue of the "uncorrected error" and the Head of Finance, ICT and HR recognised that the Council does have a difference of opinion with the Auditors regarding this item, but it is not a large enough item to need a correction. It would be left as an uncorrected error and he referred Members to the Council's response regarding this matter and Ms. Thompson explained how she had looked at the information before her.

One Member referred to the Statement of Accounts, Heritage Assets, and asked how many paintings the Council held. She asked whether they are held in trust and have only an aesthetic benefit to the Council or whether they are the Council's to sell.

The Solicitor to the Council confirmed that they do have value, although he knew nothing about a trust. He agreed to look into the matter for next year. Ms. Thompson said that the paintings were not a material consideration but the matter could be looked at next year for clarification. The Solicitor to the Council would look into the matter and, if appropriate, pass on to the relevant Cabinet Member.

In response to a question from the Chairman, Ms. Thompson confirmed that this matter did not have any impact on the Statement of Accounts.

The Chairman took Members through each Appendix in turn and Members raised a number of questions which the Head of Finance, ICT and HR responded to.

The Chairman took Members to the recommendations.

## **RESOLVED**

That:-

- (1) the errors identified in the financial statements that management has not amended, or set out the reasons for not amending the errors, be agreed;
- (2) the adjustments to the financial statements included in the report, summarised in Appendix 3 to the report be noted;
- (3) the letter of representation on behalf of the Council, as shown in Appendix 4 to the report, be approved; and

- (4) the Council's response to the proposed Action Plan, as shown, as amended in Appendix 6 to the report, be agreed.

#### **16. FINANCIAL STATEMENTS 2011/12**

The Committee received the financial statements for 2011/12.

The Head of Finance, ICT and HR introduced the Statement of Accounts and reminded Members that there had been a training event on 13th August which was open for all Members to attend. He added that a guide to the important parts of the accounts had been produced and a summary of accounts will be provided.

Members raised a number of questions with regard to the Statement of Accounts to which the Head of Finance, ICT and HR and the Chief Accountant responded to.

#### **RESOLVED**

That the financial statements and Annual Governance Statement be approved and the Chairman be authorised to add his signature on behalf of the Committee to that of the Head of Finance.

#### **17. INTERNAL AUDIT MONITORING REPORT 25th SEPTEMBER 2012**

The Committee received a report updating the Committee on the progress of the 2012-13 Internal Audit Plans and progress made in implementing previously agreed recommendations.

Ben Durrant, the Internal Audit Manager introduced the report and drew Members' attention to paragraph 4.5 of the report and confirmed that work would commence on this review in quarter 3.

He also referred Members to Appendix A, progress report on the Internal Audit Plan. In response to a question from a Member he confirmed that the same amount of time was planned to be spent on each audit although one had indeed taken longer than the others. He confirmed that two had been already completed and that work was continuing on the final one.

#### **RESOLVED**

That the Internal Audit Monitoring Report is received by the Audit Committee.

#### **18. COMMITTEE WORK PROGRAMME 2012/13**

The Committee received its work programme for the year 2012/13.

With reference to the last meeting, Councillor Seward updated Members on a meeting she had held recently with the Chairman of the Scrutiny Committee for Leader and Service Delivery relating to Members' training and development.

It has been agreed, in consultation with the Solicitor to the Council, that the Member Development Working Group be consulted with the aim of developing the best way forward.

**RESOLVED**

That the Committee Work Programme for 2012/13 be noted.

Chairman.