

Minutes of a meeting of the Audit Committee held on 24th September 2013 from 7.00 p.m. to 7.44 p.m.

Present: Bruce Forbes (Chairman)
Simon Banham (Vice-Chairman)

Stephen Barnett	Heidi Brunsdon
Jack Callaghan	Neville Walker*

Also Present: Councillor Jonathan Ash-Edwards.

Also Present (as an appointed substitute): Councillor Andrew Lea.

Also in Attendance: Helen Young from Ernst & Young.
Steve Connors and Ben Durrant from Haines Watts, Internal Auditors.
Peter Stuart, Head of Finance and ICT and Section 151 Officer

14. 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 Andrew Lea had replaced Councillor Neville Walker for the duration of the meeting.

15. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Neville Walker.

16. DECLARATIONS OF INTEREST

None.

17. MINUTES

The minutes of the meeting of the Committee held on 25th June 2013 were agreed as a correct record and signed by the Chairman.

18. AUDIT RESULTS REPORT 2012/13

The Committee received the Audit Results Report for 2012/13 which gives the Council the auditor's opinion on both the financial statements and the arrangements to secure Value for Money.

Helen Thompson from Ernst & Young, the Council's Auditors, introduced the report and referred Members to pages 13 to 14 which sets out an overview of the financial statement audit and the areas focussed on.

She referred to bank reconciliation and said that, after seven years this had been fully reconciled, and spoke of Officers' hard work and further improvements being made to the system. With regard to pension liability, no issues had been highlighted.

Ms. Thompson confirmed that no risks had been identified under Risk of Misstatement Due to Fraud and Error. She informed the Committee that Officers had

identified a number of changes under Accounting for CenSus, which she had reviewed and confirmed that she was content with the changes made.

Ms. Thompson referred to Economy, Efficiency and Effectiveness and confirmed that an unqualified value for money conclusion would be issued.

With regard to Whole of Government accounts, Ms. Thompson confirmed that the work had been completed with one issue being identified, as set out on page 17 of the report, which gives more detail. She confirmed that the value had changed to £31,000 instead of £28,000. She also reported that there are no specific control issues which are all set out on page 22 of the report.

Ms. Thomson confirmed that the audit had been completed and the fee agreed. No objections had been received to the financial statements and she also confirmed that the Letter of Representation would be approved today.

Ms. Thompson referred Members to page 23 of the report, Independence Confirmation Update, and informed the Committee that, as she had conducted seven Council audits, she had been advised to step aside and confirmed that she will introduce the new Auditor at the next meeting of the Committee.

Ms. Thompson referred Members to the Letter of Representation which sets out the Financial Statements and Financial Records, which is to be signed by the Section 151 Officer and the Chairman of this Committee. She added that, she would like to add an additional recommendation that approval of the Letter of Representation be given by the Audit Committee. This suggestion was agreed by the Chairman and members of the Committee.

The Chairman thanked Ms. Thompson for her report and opened the floor for questions from Members.

Members raised a number of questions with regard to the Audit Results Report which Ms. Thompson, the Head of Finance, ICT and HR and the Chief Accountant responded to.

As there were no further questions, the Chairman took the Committee to the amended recommendation.

RESOLVED

That:-

- (1) the report be received and noted; and
- (2) the Letter of Representation be approved by this Committee and signed by the Chairman of the Committee.

19. FINANCIAL STATEMENTS 2012/13

The Committee received the financial statements for 2012/13.

Peter Stuart, the Head of Finance, ICT and HR introduced the report. He informed Members of a small change to page 6 in the Statement of Accounts. He referred to the paragraph relating to Treasury Management Interest and said that this is being withdrawn from the document as it contains incorrect information. The Head of

Finance, ICT and HR undertook to investigate how these figures had been calculated.

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 statement be approved and the Chairman of the Committee be authorised to add his signature to that of the Head of Finance.

20. INTERNAL AUDIT – MONITORING REPORT 24TH SEPTEMBER 2013

The Committee received a report updating them on the progress of the 2013/2014 Internal Audit Plan and progress made in implementing previously agreed recommendations.

Ben Durrant, Contract Manager, introduced the report and pointed out that there is very little change since the report in June and explained that the work is very heavily weighted to the end of the year. Audits on Land and Property and Landscapes have been reported and are awaiting management's response.

One Member sought clarification on how audits are carried out in the CenSus partnership. The Contract Manager explained that each of the three CenSus authorities have their own internal audit teams and each team carries out either the Benefits, Business Rates or Council internal audits each year on behalf of all three CenSus authorities. The three audits are rotated between the internal audit teams on a cyclical basis.

Steve Connors, the Internal Audit Manager clarified how the fees are calculated and explained that the overall fee had gone down. There is no cross-charging across authorities.

As there were no more questions, the Chairman took the Committee to the recommendation contained in the report.

RESOLVED

That the report be received and noted.

21. COMMITTEE WORK PROGRAMME

The Committee received its Work Programme for the year 2013/14.

Peter Stuart, the Head of Finance, ICT and HR informed the meeting that the date of the Audit Committee in 2014 will be 18th March, and not 20th, as stated in the report. Members had no comments to make, so the Chairman took them to the recommendation.

RESOLVED

That the Committee Work Programme be noted.

Chairman.