

AUDIT COMMITTEE

Meeting: 23 September 2009
At: 6.00 pm

PRESENT

Councillors Chris Baker, Pam King, Margaret McLay, Chris Walker, Maureen Walsh and Craig Wright.

Also in attendance

Tim Watkinson, District Auditor.
Diane Rowland, Audit Commission.

1. ELECTION OF CHAIR

RESOLVED – That Councillor Chris Baker be elected Chair for the remainder of the Municipal Year 2009/10.

Councillor Chris Baker in the Chair

2. BRIAN MILLARD

The Chair paid tribute to the work of his predecessor, the late Councillor Brian Millard. Other Members of the Committee echoed his sentiments.

3. APPOINTMENT OF VICE CHAIR

RESOLVED – That Councillor Suzanne Wyatt be appointed Vice Chair for the remainder of the Municipal Year 2009/10.

4. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 23 June 2009 were approved as a correct record and signed by the Chair, subject to references in Minute 6 being amended from 'draft accounts 2009/10' to 'draft accounts 2008/09'.

5. DECLARATIONS OF INTEREST

No declarations were made.

6. URGENT DECISIONS

No urgent decisions were reported.

7. PUBLIC QUESTION TIME

No questions were submitted.

8. ANNUAL GOVERNANCE STATEMENT

The Corporate Director, Business Services submitted a report (copies of which had been circulated) requesting the Committee's approval to the Annual Governance Statement which was a formal statement that recognised, recorded and published the Authority's governance arrangements as defined in the CIPFA/SOLACE Governance Framework.

Overall, it was considered that the Council had effective governance arrangements in place and good progress had been made in all of the areas identified within the Annual Governance Statement for 2007/08, with several of the items having been sufficiently resolved to be removed from the Statement for 2008/09.

RESOLVED - That the annual governance statement be approved.

9. EXTERNAL AUDITORS' ANNUAL GOVERNANCE REPORT 2008/09

The District Auditor submitted a report (copies of which had been circulated) informing Members of the matters arising from the audit of the Council's 2008/09 financial statements, use of resources and value for money (VFM) conclusion work.

The meeting was advised that the Council had been awarded a score of 3 out of 4 in the Use of Resources Assessment.

The District Auditor advised that the auditors' statement on Solutions SK had not yet been received, although no problems were anticipated and it was expected very shortly.

RESOLVED – (1) That the adjustments to the financial statements, as set out in the report, be noted.

(2) That the VFM Conclusion and Use of Resources Score be noted.

(3) That the letter of representation on behalf of the Council be approved, prior to the District Auditor issuing his opinion and conclusion.

(4) That the Committee's thanks be recorded for the work of the Head of Financial Management and her team.

(5) That a report be submitted to a future meeting of the Committee in those areas where the Council had scored a '2' in the Use of Resources Assessment.

10. 2008/09 STATEMENT OF ACCOUNTS

The Corporate Director, Business Services submitted a report (copies of which had been circulated) in connection with the issues which had arisen during the audit of the Council's accounts and requesting approval to the final Statement of Accounts.

The Executive Councillor (Finance), in consultation with the Corporate Director, Business Services, had considered the proposed adjustments to the accounts outlined in the report and agreed to recommend their approval to this Committee. The adjustments related to reclassification of revenue items within the cash flow statement and supporting notes, and adjustments to the post audit group accounts statements. With regard to the proposed changes to the notes supporting the financial statements, there had been some reclassifications within debtors and

creditors; the employees' remuneration note had been amended to include taxable benefits for employees; the Investments note had been updated with the 2008/09 outturn figures for Manchester Airport PLC; and minor inconsistencies between and within the notes had been corrected.

Two further proposed amendments to the accounts had been circulated following the issue of the agenda arising as a result of matters raised by the Audit Commission. These issues related to a minor change to the Accruals of Income and Expenditure Accounting Policy, and a Related Party Transactions disclosure note.

RESOLVED - (1) That the Statements of Accounts 2008/09, including the amendments, be approved.

(2) That a seminar be arranged for Members of the Committee on the international financial reporting standards.

11. INTERNAL AUDIT QUARTERLY REPORT

The Chief Internal Auditor submitted a report (copies of which had been circulated) setting out the progress of Internal Audit in the quarter to 31 August 2009, showing progress against the approved audit plan for the year and summarising the outcomes of finalised audit reports in the year.

RESOLVED - That the report be noted.

12. REVIEW OF AUDIT COMMITTEE EFFECTIVENESS

The Chief Internal Auditor submitted a report (copies of which had been circulated) in connection with a review of the effectiveness of the Committee, which was a requirement of the annual Use of Resources assessment. A proposed self assessment questionnaire was attached to the report, based on the CIPFA guidance for Audit Committees, to assist the Committee in agreeing a way forward for the self-assessment exercise.

A Member referred to the issue of whether there should be nominated substitutes for this Committee.

RESOLVED – That a copy of the self-assessment questionnaire be sent to Members of the Committee for completion and a further report be submitted to the next meeting of the Committee.

13. INTERNAL AUDIT REPORT – STARTERS AND LEAVERS

The Chief Internal Auditor submitted a report (copies of which had been circulated) on the internal audit of starters and leavers which had been requested by the Committee following concerns that the Council could improve its approach to dealing with starters and leavers.

Concern was expressed about some of the responses in the agreed action plan.

RESOLVED – That the responses be discussed further with the Service Director (Organisation Development) and a further report on the implementation of the action plan be submitted to the Committee in six months' time.

14. EXTERNAL AUDITORS' AUDIT PROGRESS REPORT 2008/09

The District Auditor submitted a report (copies of which had been circulated) informing the Committee of the progress on the 2008/09 audit and inspection of the Council.

RESOLVED – That the report be noted.

The meeting closed at 7.28 pm

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