

## **AUDIT COMMITTEE**

Meeting: 28 September 2010  
At: 6.00 pm

PRESENT

Councillor Stuart Corris (Chair) in the chair; Councillors Shan Alexander, Brian Bagnall, Margaret McLay and Paul Porgess.

Also in attendance

Tim Watkinson, District Auditor, Audit Commission.

### **1. DIANE ROWLAND**

The District Auditor referred with great regret to the sudden death last month of Diane Rowland, Audit Manager with the Audit Commission.

All present at the meeting stood in silence as a mark of respect to the memory of Diane.

### **2. MINUTES**

The Minutes (copies of which had been circulated) of the meeting held on 29 June 2010 were approved as a correct record and signed by the Chair.

### **3. DECLARATIONS OF INTEREST**

Councillors and officers were invited to declare any interests which they had in any of the items on the agenda.

The following interests were declared:-

#### Personal Interests

<u>Councillors</u>	<u>Interest</u>
Paul Porgess	That part of Agenda Item 7 '2009-10 Statement of Accounts' (Minute 7) relating to the Housing Revenue Account as a member of its Board.
Shan Alexander and Stuart Corris	That part of Agenda Item 7 '2009-10 Statement of Accounts' (Minute 7) relating to pensions as a member of a local authority pensions fund.
Margaret McLay	That part of Agenda Item 7 '2009-10 Statement of Accounts' (Minute 7) relating to pensions as a member of the teachers' pension fund.

#### **4. URGENT DECISIONS**

No urgent decisions were reported.

#### **5. PUBLIC QUESTION TIME**

No public questions were submitted.

#### **6. ANNUAL GOVERNANCE REPORT**

The District Auditor, Audit Commission submitted a report (copies of which had been circulated) presenting the results of the Audit Commission's work for 2009/10.

The District Auditor reported that:-

- He had substantially completed his audit of the Council's financial statements and he had not identified any material issues at this stage that prevented him from giving an unqualified audit opinion;
- The accounts were once again prepared to a high standard with good supporting working papers and he had not identified any material errors;
- He intended to issue an unqualified conclusion stating that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources;
- There was no adjustment in the final outturn audit fee relating to the Council's 2009/10 financial statements; and
- There were no relationships giving rise to a threat to independence, objectivity and integrity.

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

(2) That the letter of representation on behalf of the Council, as set out in Appendix 2, be approved.

(3) That the response to the proposed action plan, as set out in Appendix 5, be agreed.

(4) That the Committee be advised of the action taken to resolve the underlying cash flow difficulties within SSK.

(5) That the completed Action Plan (Appendix 5) be considered at a future meeting of the Committee.

#### **7. FINAL ANNUAL GOVERNANCE STATEMENT**

The Corporate Governance Group submitted a report (copies of which had been circulated) enclosing the final Annual Governance Statement.

It was reported that as no significant governance issues had come to light since the draft Statement was approved in June 2010, the content of the Statement had not been amended.

RESOLVED – That approval be given to the final Annual Governance Statement.

## **8. 2009/10 STATEMENT OF ACCOUNTS**

A representative of the Corporate Director, Business Services submitted a report (copies of which had been circulated) inviting the Committee to consider the issues that had arisen during the audit, agree the changes and approve the final Statement of Accounts.

RESOLVED - That the changes to the Statement of Accounts 2009/10 be approved.

## **9. INTERNAL AUDIT PROGRESS REPORT TO 31 AUGUST 2010**

The Chief Internal Auditor submitted a report (copies of which had been circulated) detailing the progress against the current approved audit plan and summarising the outcomes of individual audit reviews.

RESOLVED - That the report be noted.

## **10. PROPOSAL FOR AMENDING INTERNAL AUDIT PLAN** (See Minute 9(2) of 10 March 2010)

The Chief Internal Auditor submitted a report (copies of which had been circulated) setting out a proposed procedure for making changes to the approved Internal Audit Plan, as requested by the Committee in March 2010.

It was now proposed that the plan be reviewed on a quarterly basis and that required changes be approved by the Corporate Director, Business Services, in consultation with the Chair of this Committee.

RESOLVED – That the proposed procedure for making changes to the approved Internal Audit Plan be approved.

## **11. INTERNAL AUDIT FOLLOW UP PROCEDURE**

The Chief Internal Auditor submitted a report (copies of which had been circulated) setting out a proposed procedure for the follow up of Internal Audit recommendations and the reporting of these to managers and this Committee.

RESOLVED – That the proposed procedure be agreed.

The meeting closed at 7.17 pm.