

## **AUDIT COMMITTEE**

Meeting: 1 December 2010

At: 6.00 pm

### PRESENT

Councillor Stuart Corris (Chair) in the chair; Councillor Daniel Hawthorne (Vice Chair); Councillors Shan Alexander, Wendy Meikle and Anthony O'Neill.

### Also in attendance

Tim Watkinson, District Auditor, Audit Commission.

Andrew North, Audit Manager, Audit Commission

### **1. MINUTES**

The Minutes (copies of which had been circulated) of the meeting held on 28 September 2010 were approved as a correct record and signed by the Chair.

### **2. DECLARATIONS OF INTEREST**

No declarations were made.

### **3. URGENT DECISIONS**

No urgent decisions were reported.

### **4. PUBLIC QUESTION TIME**

No public questions were submitted.

### **5. INTERNAL AUDIT PROGRESS REPORT**

A representative of the Corporate Director, Business Services submitted a report (copies of which had been circulated) setting out the progress made in the period 1 September – 31 October 2010 against the approved audit plan for the year.

The Committee was advised that work would shortly be starting on planning for the 2011/12 Audit Plan and all Senior Managers would be consulted on their priority areas for Internal Audit during the period.

RESOLVED – That the report be noted.

### **6. SUGGESTED TRAINING FOR MEMBERS OF THE COMMITTEE**

A representative of the Corporate Director, Business Services submitted a report (copies of which had been circulated) attaching a draft list of suggested training subjects for Members of the Committee, following the self-assessment exercise which had been carried out.

RESOLVED – (1) That the proposed training session on Fraud and Money Laundering Awareness be prioritised, to be run by the Chief Internal Auditor and Audit Manager, Audit Commission.

(2) That training on the role of the Audit Committee be included in the Members' training programme.

## **7. UPDATE ON SIGNIFICANT GOVERNANCE ISSUES IDENTIFIED THROUGH THE ANNUAL GOVERNANCE STATEMENT**

Consideration was given to a report of the Corporate Governance Group (copies of which had been circulated) providing an update on the progress against the actions identified as significant through the 2009/10 Annual Governance Statement.

RESOLVED - That the report be noted.

## **8. SOLUTIONS SK CASH FLOW – UPDATE REPORT**

The Corporate Director, Business Services submitted a report (copies of which had been circulated) providing an update on progress on the action being taken to resolve the underlying cash flow difficulties within Solutions SK.

It was reported that all billing and job costing procedures had been reviewed and improved. Working capital around stock and work in progress payments had been fully assessed, and cash flow was now under control within the company and within normal tolerances for a company of Solutions SK's size and nature.

RESOLVED – (1) That the report be noted.

(2) That the ongoing cash flow position between the Council and Solutions SK be kept under review and reported to the Committee at least annually as part of the final accounts process.

## **9. INTERNATIONAL FINANCIAL REPORTING STANDARDS UPDATE**

A representative of the Corporate Director, Business Services submitted a report (copies of which had been circulated) providing the Committee with an update on progress against the action plan for implementing the International Financial Reporting Standards (IFRS).

It was reported that the transition to IFRS was a huge task with a very detailed action plan. However, Officers were making good progress towards this transition.

RESOLVED – That the report be noted.

## **10. EXTERNAL AUDIT PROGRESS REPORT**

The Audit Manager, Audit Commission submitted a report (copies of which had been circulated) setting out the progress made by the Audit Commission since the report submitted to the meeting of the Committee on 29 June 2010.

Since the last progress report the Audit Commission had completed its audit work on the 2009/10 financial statements and the whole of the Government's accounts

submission. The annual audit letter which was also being presented to this meeting of the Committee represented the final report on the 2009/10 code audit. The Audit Commission was still finishing its certification of the Council's 2009/10 grant claims which were expected to be completed by the end of December. Recent work by the Audit Commission had included starting to plan the 2011/12 audit work.

RESOLVED – That the report be noted.

### **11. ANNUAL AUDIT LETTER**

The District Auditor submitted his Annual Audit Letter (copies of which had been circulated) summarising his findings from the 2009/10 audit. It included the audit of the Council's financial statements and his assessment of the Council's arrangements to achieve value for money in its use of resources.

On 29 September 2010 the District Auditor had issued an unqualified opinion on the Council's financial statements which were complete and had required no material amendments, and an unqualified value for money conclusion stating that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in the use of resources.

RESOLVED – That the report be noted.

The meeting closed at 6.57 pm.