

Audit & Governance Committee

Thursday, 28 June 2012

MINUTES

Present:

Councillor Derek Taylor (Chair), Councillor Roger Hill (Vice-Chair) and Councillors Joe Baker, Roger Bennett, John Fisher and Yvonne Smith

Also Present:

Officers:

T Kristunas, S Morgan, H Tiffney and D Parker-Jones

Committee Services Officer:

D Sunman

1. APOLOGIES

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

Members were informed that the Audit Commission's Annual Fraud and Corruption Survey had been completed on time.

RESOLVED that

- 1) the minutes of the meeting of the Committee held on 23rd April 2012 would be confirmed as a correct record and would be signed by the previous Chair; and
- 2) the following reports be prepared for future meetings of the Committee:
 - South Worcestershire Council's initiative to counter fraud and the feasibility of implementing a similar scheme across the North Worcestershire authorities;

.....
Chair

- **Departmental Risk Register – quarterly reports on sample of high risks;**
- **Feasibility of co-opting non elected members onto the Committee;**
- **An update report on the evidence and responses regarding the qualification letter received from the Audit Commission on the HRA Subsidy; and**
- **the completed submission to the Audit Commission’s Annual Fraud and Corruption Survey.**

4. AUDIT AND GOVERNANCE COMMITTEE - PROCEDURE RULES

Members considered the Audit & Governance Committee’s Procedure Rules for inclusion in the Council’s Constitution.

Officers reported that these rules would be reviewed annually to ensure that an effective Audit & Governance Committee function would be delivered together with supporting good governance arrangements across the Council.

Members considered that an additional meeting of the Committee, in the form of a Member Development session, would be desirable to brief Members on the annual Statement of Accounts and that the session be open to all members of the Council.

RECOMMENDED that

- 1) the Audit & Governance Committee’s Procedure Rules be approved for inclusion in the Council’s Constitution; and**
- 2) an additional meeting of the Committee be arranged as outlined in the preamble above.**

5. ANNUAL GOVERNANCE STATEMENT 2011/12

The Committee received a report which sought approval of the Annual Governance Statement (AGS) for inclusion of the Statement of Accounts 2011/12.

Officers reported that the AGS provides a historical picture of the previous year’s performance and plans for the following year.

Members noted that the Appendix to the report referred to a number of actions to be taken to improve governance arrangements as outlined in the Annual Audit letter.

RESOLVED that

the Annual Governance Statement be approved for inclusion in the Statement of Accounts 2011/12.

6. ACCOUNTING STANDARDS

The Committee considered a report which sought approval for the Accounting Standards that would be used in preparation of the Financial Statements for the 2011/12 Accounts. Officers reported that these complied with CIPFA guidance.

Members were informed that an additional standard had been added relating to Heritage Assets and work has been done across the Council to identify those assets held for this purpose.

RESOLVED that

the Accounting Standards be approved.

7. INTERNAL AUDIT - ANNUAL REPORT 2011/12

The Committee received the Internal Audit Annual Report for 2011/12.

Members asked for clarification on lower than expected productivity of 60% against a target of 63% as outlined in Appendix 1 of the report.

Officers reported that this reflected a level of audits agreed by partners at the beginning of the year to meet Key Performance Indicators. However, these had been reviewed and changed for the current financial year but the Audit Annual Report had been compiled using the original targets

Members expressed concern that a number of Statements of Internal Control had not been returned by Managers by the deadline of 30th March 2012. Officers were requested to give an update to the next meeting of the Committee on the outstanding statements.

Officers were asked to provide Members with the annual cost to the Council of the Worcestershire Internal Audit Shared Service.

RESOLVED that

the report be noted.

8. INTERNAL AUDIT - MONITORING REPORT 2012/13

Members considered the Internal Audit Monitoring Report for the period 1st April 2012 to 28th May 2012.

Officers reported that the following audit reports had been issued since their report to this Committee on 23rd April 2012 and levels of assurance were as follows:

Audit	Assurance Level
Sundry Debtors (including former tenant arrears)	Significant
Creditors	Significant
Bank Reconciliations	Significant
Procurement	Moderate
Renovation Grants - Festival Housing Contract	Significant

Members were informed that the scope of an audit was set following discussions between Internal Audit and Service Managers and then approved by the Section 151 Officer. These were Value For Money (VFM) Audits rather than control based audits.

In reply to a Member's query Officers confirmed that there were no year on year comparisons as each year the area of a service audited might be different. An example of this could be that Year 1 might look at Invoices and Year 2 Debt Collection of the Sundry Debtors system.

RESOLVED that

the report be noted.

(During consideration of this item Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to exclude the press and public prior to any debate on Appendix 3 to the report on the grounds that information would be revealed relating to the prevention, investigation or prosecution of crime. However, there is nothing exempt in this record of the proceedings.)

Audit & Governance

Committee

28th June 2012

9. AUDIT & GOVERNANCE COMMITTEE - WORK PROGRAMME

Members received an update on the work programme for meetings in 2012/13.

RESOLVED that

the programme be noted and amended by Officers.

10. EXCLUSION OF THE PUBLIC

RESOLVED that

under S.100 I of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matter on the grounds that it involves the likely disclosure of exempt information as defined in the relevant paragraph 7 of Part 1 of Schedule 12 (A) of the said Act, as amended:

- **Internal Audit - Monitoring Report 2011/12 (As detailed in Minute 8 above)**

The Meeting commenced at 7.05 pm
and closed at 8.30 pm

.....
Chair