



Audit Committee

Minutes – 8 July 2013

Attendance

Members of the Committee

Cllr Keith Inston (chair)
Cllr Harbans Bagri
Cllr Phil Bateman
Cllr Alan Bolshaw
Cllr Jasbir Jaspal
Cllr Mrs Wendy Thompson

Independent members

Mike Ager
Terry Day

Staff

Michael Webb	Head of Service – Delivery
Peter Farrow	Head of Audit
David Johnston	Head of Risk Management and Insurance
Richard Morgan	Senior Audit Manager
Claire Nye	Finance Manager-Delivery
Martin Fox	Democratic Support Officer

External Auditors

Richard Bacon	PricewaterhouseCoopers
Jonathan Sawyer	PricewaterhouseCoopers

Apologies

Apologies for absence were received from Cllrs Mike Hardacre and Matthew Holdcroft

Part 1 – items open to the press and public

<i>Item No.</i>	<i>Title</i>	<i>Action</i>
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MEETING BUSINESS ITEMS

- Welcome to new members

The Chair welcomed the newly appointed members, namely Cllrs Harbans Bagri, Phil Bateman and Alan Bolshaw to the meeting, together with the new independent members, Mike Ager and Terry Day and introductions were exchanged.

2. **Declarations of interest** Martin
Mike Ager declared a non-pecuniary interest in agenda item 11a – Fox
Coprporate risk register update as a Governor of Coppice Performing Arts School.
3. **Minutes** Martin
Resolved: Fox
(a) Audit committee – 15 April 2013
That the minutes of the meeting held on 15 April 2013 be approved as a correct record and signed by the Chair.
(b) Audit (Final Accounts Monitoring and Review) Sub-committee – 22 April 2013
Resolved:
That the minutes of the meeting held on 22 April 2013 be noted.
(c) Audit (Monitoring of Audit Investigations) Sub-committee – 29 April 2013
Resolved:
That the minutes of the meeting held on 29 April 2013 be noted.
4. **Matters arising**
There were no matters arising.
5. **Dates of meetings 2013/14**
That it be noted that meetings of the committee are scheduled to be held on the following dates commencing at 2.00 pm:-

23 September 2013
16 December 2013
10 March 2014
14 April 2014.
6. **Work programme 2013/14**
Resolved:
That the work programme be received.

DECISION ITEMS

7. **INTERNAL AUDIT REPORTS:**
- a **Annual review of effectiveness of internal audit** Mark
A report was submitted which asked the Committee to approve the Taylor/
annual review of the effectiveness of internal audit in order to discharge Peter
its' responsibility under regulation 6 of the Accounts and Audit Farrow
Regulations 2011.

Resolved:

That the annual review of the effectiveness of internal audit be approved.

8. OTHER GOVERNANCE REPORTS:

a Audit committee – annual report

This report was submitted to summarise the work undertaken by the Audit Committee during the municipal year 2012/13.

Resolved:

That the Audit Committee Annual Report be endorsed and referred to Full Council for approval.

Peter
Farrow/
Martyn
Sargeant

INFORMATION ITEMS

9. FINAL ACCOUNTS/ANNUAL GOVERNANCE STATEMENT:

a Draft statement of accounts 2012/13

The draft Statement of Accounts for 2012/2013 was submitted for information. Cllr Mrs Thompson asked for more information about the net pensions liability (page 9) and Cllr Bateman asked how this was being monitored by the Authority. Offices responded that the final figures would be reported to the Pensions Committee.

Cllr Mrs Thompson also called for more information about the budget for learning disability services (page 37), namely the budgeted figure and the figure for 2013/14, the number of service users and a breakdown of the total expenditure of £26.4m. She also requested further information about the section within the statement relating to exit packages (page 42).

Resolved:

(a) That it be noted that the Assistant Director Finance approved the Draft Statement of Accounts 2012/2013 and 26 June 2013, as required by the Accounts and Audit Regulations.

(b) That it be noted that the 2012/2013 draft Statement of Accounts is to be audited by PricewaterhouseCoopers LLP during July/August and that any material changes required as a result of the audit will be reported to the Audit Committee.

(c) That it be noted that formal publication of the 2012/2013 Statement of Accounts is required by 30 September 2013, in accordance with the Accounts and Audit Regulations 2011.

(d) That it be noted that the Statement of Accounts incorporates a signed copy of the Annual Governance Statement as required by the Accounts and Audit Regulations 2011.

Mark
Taylor

(e) That a further report be submitted to the committee regarding the net pensions liability, the budget for learning disability services and exit packages.

- b **Annual governance statement 2012/13** Keith Ireland/Mark Taylor/David Johnston/Peter Farrow
- This report asked the committee to note the content of the Annual Governance Statement which is to be signed by the Chief Executive and the Leader of the Council. Cllr Mrs Thompson expressed concern about the delay in progressing issues such as partnership governance and information governance and looked forward to receiving early progress reports. The Head of Audit Services responded that a new structure was being put in place in order to take these issues forward.
- Resolved:
That the Annual Governance Statement for 2012/13 be noted.

10. **EXTERNAL AUDIT REPORTS AND INSPECTION:**

- a **External audit update report 2012/13** Mark Taylor
- PricewaterhouseCoopers presented their update on progress in delivering their audit plan, their view of progress of the closedown process, the results of their review of the work of internal audit and detail about some recent publications from PwC's Public Sector Research Centre.
- Resolved:
That the report be received.

11. **RISK MANAGEMENT – ASSURANCE ON CORPORATE RISKS:**

- a **Corporate risk register - update** David Johnston
- This report provided the Committee with the current list of corporate risks and the actions being taken to manage the risks. Responding to a question from Cllr Mrs Thompson about demographic pressures, the Head of Risk Management and Insurance indicated that the original risks related to looked after children but had been extended to include the learning disabilities group. He added that the register was due for a complete revision. Cllr Mrs Thompson also asked why equal pay and single status had been grouped together and was advised that these would be separated out in future. Cllr Mrs Thompson requested regular updates regarding the equal pay situation.
- Resolved:
That the list of corporate risks and the actions being taken to manage them be noted.

12. **INTERNAL AUDIT REPORTS:**

- a **Annual internal audit report 2012/13** Peter Farrow/
The Head of Audit Services submitted the Annual Internal Audit Report for 2012/13. Cllr Mrs Thompson indicated that she would welcome further reports on a number of the issues listed in section 4 of the report, such as Pension Auto-Enrolment. Responding to questions from Cllr Bateman, The Head of Audit Services indicated that numbers of duplicate payments of reducing and that cases of fraud resulted in sanctions for legal action. Cllr Bateman also suggested that the achievements of internal audit should be publicised by the press Richard Morgan

That the Annual Internal Audit Report for 2012/13 be noted that the thanks of the Committee to the staff of internal audit for the work represented by the report be placed on record.

- b **CIPFA Audit committee update** Peter Farrow/
A copy of the latest update by the Chartered Institute of Public Finance and Accountancy was submitted for information. Richard Morgan
Resolved:
That the latest CIPFA Audit Committee update - Issue 10, be noted.

- c **Payment transparency** Peter Farrow/
The Head of Audit Services submitted the latest review of the Council's compliance with the Code of Recommended Practice issued by the Secretary Of State for Communities and Local Government and associated guidance. Richard Morgan
Resolved:
That the Council's continued compliance with the Code of Recommended Practice regarding the publication of all payments over £500, together with the action now taken to publish all payment data with effect from 1 April 2013, be noted.