

Minutes

Audit Committee

- Venue: Committee Room
- Date: 26 September 2012
- Present: Councillors Mrs E Casling (Chair), J Crawford, M Dyson, Mrs C Mackman (Vice Chair), Mrs M McCartney, and I Reynolds
- Apologies for Absence: Councillors J Cattanach, I Nutt and R Packham
- Officers Present: Roman Pronyszyn, Veritau; John Barnett, Veritau; Rob Chambers, The Audit Commission; Karen Iveson, Executive Director; Nicola Chick , Lead Officer for Finance and Richard Besley, Democratic Services Officer

13. DECLARATIONS OF INTEREST

There were no declarations of interest.

14. MINUTES

RESOLVED:

To receive and approve the minutes of the Audit Committee held on 19 June 2012 and they are signed by the Chair.

15. CHAIR'S ADDRESS

The Chair notified the Committee that final Audit Reports of Service Areas would no longer be emailed to the Committee. This is in line with other Councils where Veritau act as Internal Auditors. The completed reports will continue to be summarised in Veritau's quarterly report for scrutiny by the Committee, allowing the call-in of any report of limited assurance.

16. A/12/6 – STATEMENT OF ACCOUNTS (POST AUDIT)

The Executive Director (s151) presented the report which enabled Councillors to undertake an examination of the Council's financial accounts for the financial year 2011-12.

The format of the accounts meets the requirements of the International Financial Reporting Standards (IFRS).

The Director informed the Committee that the accounts had been audited and had been made available for public inspection in line with regulatory requirements.

The accounts identify the cost to the Council of the HRA self financing settlement to the Government as an exceptional item and reflect the impairment in valuation of the Abbey Leisure Centre following the fire at the end of February 2012.

RESOLVED:

To receive and approve the 2011-12 Statement of Accounts.

17. A/12/7 – ANNUAL GOVERNANCE STATEMENT 2011/12

The Executive Director (s151) presented the Annual Governance Statement (AGS) 2011/12 and explained that the statement needed to be approved by the Committee and signed by the Leader of the Council and the Chief Executive.

The Statement met a legal requirement to review the effectiveness of the Council's system of internal control.

The report's appendix itemised the key elements of the Governance framework and reported changes in the organisational structure.

The report identified three issues for improvement and a summary of action taken and proposed.

The Chair asked for an update on the issues at the next meeting.

RESOLVED:

To receive and approve the Annual Governance Statement for 2011-12.

18. A/12/8 – AUDIT COMMISSION'S ANNUAL GOVERNANCE REPORT AND OPINION ON THE FINANCIAL STATEMENTS

Rob Chambers, Manager for the Audit Commission presented the report which summarised the findings from the 2011/12 audit which was substantially complete.

The Manager reported that the Commission were to issue an unqualified opinion on the 2011/12 financial statements.

The Report identified the risks to the Council and Mr Chambers confirmed that an action plan had been agreed with the Executive Director (s151).

The Commission recognised the Council's financial resilience through the work done to achieve savings and the success of Access Selby.

RESOLVED:

To receive and approve the report.

19. A/12/9 – COUNTER FRAUD ANNUAL REVIEW

John Barnett, Audit Manager for Veritau presented the report which brought the Committee up to date with the Council's counter fraud approach and outcomes and appraised them of the key contents of the Cipfa report 'Managing the Risk of Fraud' and the attached self-assessment.

The Appendix identified ongoing Assessments.

- i) To receive and approve the report.**
- ii) To note the actions identified in Appendix A, the self-assessment and the outcomes set out in Appendix B.**

20. A/12/10 – INTERNAL AUDIT PROGRESS REPORT 2012-13

John Barnett, Audit Manager for Veritau presented the report which identified the work of Veritau and Audit reports within the first quarter of 2012-13 and confirmed that the overall opinion, to date, was of substantial assurance.

Mr Barnett confirmed that the progress report indicated the position of audits up to the 31 August and that considerable work had been done since then, with 45% of the annual work done in under half a year.

Mr Barnett highlighted that two completed audits identified elements of over control and that revised procedures will lead to reduced action and therefore cost savings.

It was agreed to move to private session.

21. PRIVATE SESSION

RESOLVED:

In accordance with Section 100(A)(4) of the Local Government Act 1972 and in view of the nature of the business to be transacted, to exclude the press and public from the meeting during discussion of the following item as there is likely to be disclosure of exempt information.

The Executive Director and Audit Manager provided more detail on the problems identified during the Audit on Mobile Telephones. Subsequent action had been taken to improve processes and the Audit opinion would now be one of substantial assurance.

The Executive Director reported that there had been no indication of fraudulent activity and that a process of adequate and proportionate control was in place.

The Audit Manager confirmed that a follow-up Audit was conducted.

RESOLVED:

To receive and approve the report.

The meeting closed at 5:59pm