

**DRAFT MINUTES SUBJECT TO APPROVAL AT THE NEXT MEETING**

**Draft Minutes of the meeting of the Final Accounts & Audit Committee held on 26<sup>th</sup> September 2006 in the Monkton Room, Level +1, Monkton Park, Chippenham, commencing at 6.00 pm.**

**Present:** Councillors A.L. Davis, V.H. Greenman, S.B. Meadowcroft and R.L. Tonge

**Other Members Present:** Councillor T.R. Sturgis

**Officers Present:** S. Pangbourne (Strategic Manager – Corporate Services), P. Hawley (Chief Accountant), D. Ashton (Interim Chief Accountant), R. Granger (Audit Manager), N. Ford (Auditor) and J. Whittleton (Policy & Democratic Services Assistant)

**Audit Commission:** B. Bethell, M. Maxwell and P. Barber

**FA16. Election of Chairman**

**Resolved** that Councillor R.L. Tonge be elected Chairman of the Committee.

**FA17. Election of Vice Chairman (if necessary)**

**Resolved** not to appoint a Vice Chairman.

**FA18 Apologies for Absence**

None received.

**FA19. Membership of the Final Accounts & Audit Committee**

There were no changes of Membership.

**FA20. Public Question Time/Receipt of Petitions**

There were no public questions nor petitions received.

**FA21. Chairman's Announcements**

None.

**FA22. Minutes**

The Minutes of the meeting of the Final Accounts & Audit Committee held on 29<sup>th</sup> June 2006 were considered.

**Resolved** that the Minutes of the meeting of the Final Accounts & Audit Committee held on 29<sup>th</sup> June 2006 be signed as a correct record.



**FA23. Declarations of Interest**

None received.

**FA24. Council's Audited Accounts 2006/06**

Consideration was given to Report No. 9, following an introduction from Mr B. Bethell of the Audit Commission, which informed the Committee of the amendments to the Council's draft Accounts for 2005/06 and also presented the audited Accounts for £2005/06.

Issues discussed included:

- Problems experienced by the Audit Commission when carrying out this years' audit;
- Staffing issues;
- The proposed additional audit fee of £6,790;
- Whether systems for checks mentioned in last year's report are still an issue this year;
- The possibility of producing a quarterly Medium Term Finance Plan;
- Whether a table of impairments would add value to the accounts;
- That this Committee has responsibility to monitor the Statement of Internal Control;
- The treatment of PFI entries in accounts; and
- That in light of last year's prudence, the bad debt provision this year is sufficient.

**Resolved**

- 1) The Committee notes the external auditor intends to issue an unqualified opinion on the Council's Accounts.
- 2) That a table explaining impairment figures be included in future consolidated balance sheets.
- 3) That a report be prepared for the next meeting of the Final Accounts & Audit Committee, providing an update on progress against the Statement of Internal Control.

**FA25. Letter of Representation**

Consideration was given to Report No 10, circulated with the agenda, which presented the Committee with the Letter of Representation.

**Resolved** The Chairman of the Final Accounts & Audit Committee and the Section 151 Officer signed the Letter of Representation.

## **FA26. Annual Governance Report from The Audit Commission**

Consideration was given to Report No.11, following an introduction from Mr B. Bethell of the Audit Commission, which presented to Committee the Annual Governance Report from the Audit Commission, covering the audit of the Authority for the year ended 31<sup>st</sup> March 2006.

Issues discussed included:

- That the significant issues highlighted on table 1 of the Report could have a consequential impact on next years' accounts;
- Control account reconciliations should be carried out once a month;
- That recommendation R5, contained in Appendix 7 of the Report is the most significant risk to next years' accounts;
- Responsibility for the recommendations has not been agreed yet, but an action plan will be completed and reported back to this Committee; and
- Whether this Committee has an appropriate number of Councillors and whether it meets enough for it to be an appropriate vehicle to monitor the actions.

### **Resolved**

- 1) That the date of the next Committee meeting be brought forward approximately one month to November 2006.
- 2) That a report be brought to the next Committee meeting, detailing progress against the Action Plan outlined in Appendix 7.
- 3) That a report be prepared for consideration at Full Council expanding the Committee's membership to six.
- 4) That the frequency of Final Accounts & Audit Committee Meetings be reviewed at the next meeting.

## **FA27. Audit Report on the Council's Performance Management**

Consideration was given to Report No. 12, following an introduction from Mr B. Bethell of the Audit Commission, which presented to the Final Accounts and Audit Committee the Performance Management Report from the Audit Commission.

Issues discussed included:

- That the Report sits along side data quality and service planning work carried out by the Audit Commission;
- That the Report has been considered by CMB who agree with the recommendations;
- The role of the Corporate Plan in performance management; and

- That the Report will be considered by the Performance Management Scrutiny Task Group along with the recommendations from the report on Service and Financial Planning.

**Resolved** that the Report be noted.

#### **FA28. Internal Audit Terms of Reference**

Consideration was given to Report No. 13, circulated with the Agenda, which presented to the Final Accounts and Audit Committee the Internal Audit Terms of Reference for its approval.

Issues discussed included:

- The Terms of Reference draws on best practice from other authorities and the CIPFA Code; and
- Whether the work of internal audit is covered by an Executive Portfolio and how the Executive will receive updates on the work.

**Resolved**

- 1) That the Internal Audit Terms of Reference be approved.
- 2) That copies of the Terms of Reference be circulated to all Councillors and that hard copies of the document be placed in Group rooms.

#### **FA29. Internal Audit Progress Report**

Consideration was given to Report No. 14, circulated with the Agenda, which presented to the Final Accounts and Audit Committee on progress against the 2006/2007 Internal Audit Plan.

Issues discussed included:

- That the Audit section is now fully staffed and should be able to complete much of the planned work; and
- That audit reports are circulated to Strategic Managers and relevant Team Leaders.

**Resolved** that the Report be noted.

The meeting closed at 7.12pm.

There were 0 members of the public present.