

Draft Minutes of the Final Accounts & Audit Committee Meeting held on Thursday 28 June 2007 at the Council Offices, Monkton Park, Chippenham.

Present:

Councillor S. Parker (Chairman)

Councillors K.A. Banks, R.L. Cinnamond, V.H. Greenman, J.L. Hall, A. Pier and R.L. Tonge.

Other Members Present:

Councillors S.K. Doubell and I.J. Henderson.

Officers Present: N. Ford (Internal Auditor), R. Granger (Internal Audit Manager), S. Pangbourne (Deputy Chief Executive), L. Scales (Interim Year End Manager), P. Timmins (Interim Section 151 Officer), M. Todd (Senior Policy & Democratic Services Officer) and M. Watson (External Audit Relationship Manager).

FA3. Apologies for Absence

There were no apologies for absence.

FA4. Membership of the Final Accounts & Audit Committee

There were no changes to the membership of the Committee.

FA5. Public Question Time/Receipt of Petitions

There were no public questions or petitions.

FA6. Chairman's Announcements

There were no Chairman's Announcements.

FA7. Minutes

The Minutes of the meetings of the Final Accounts and Audit Committee held on 16 April 2007 and 16 May 2007 were considered.

Resolved that the Minutes of the meetings of the Final Accounts and Audit Committee held on 16 April 2007 and 16 May 2007 be approved and signed as a correct record.

FA8. Declarations of Interest

There were no declarations of interest.



FA9. Audit and Inspection Plan 2007/08

Consideration was given to Report No. 7, which was circulated with the agenda. The report presented the Audit and Inspection Plan for 2007/08 by external audit and informed the Committee of the Code of Audit Practice and the Statement of Responsibilities of Auditors and Audited Bodies.

The following issues were discussed:

- ◆ It was noted that some Audit work regarding leisure centres would be undertaken during the forthcoming year.
- ◆ The External Audit Relationship Manager explained that as performance improved the Auditors would be required to undertake less audit work which would in turn reduce the fee to the Council.
- ◆ The importance of portfolio holders being aware of the audit activity within their particular areas was stressed.

Resolved that:

- 1) the Audit and Inspection Plan for 2007/08 be accepted;
- 2) the Code of Practice and the Statement of Responsibilities of Auditors and Audited Bodies be noted.

FA10. Statement of Accounts 2006/07

Consideration was given to Report No. 8, a first draft of which was circulated with the agenda and the final draft of which was circulated at the meeting. The report also presented the 2006/07 Statement of Accounts.

The following issues were discussed:

- ◆ It was noted that balances had increased during the year. A small overspend had been more than met by released earmarked funds. This was the result of reviews of all the earmarked funds that were now soundly based.
- ◆ Members noted the importance of moving to a new accounting system as soon as possible following the decision on unitary status. Funds had been set aside for this purpose which amounted to £250k capital funding and £50k revenue for the actual process of moving over to a new system.

Resolved that:

- 1) the revised General Fund balance be noted;
- 2) the 2006/07 Statement of Accounts circulated at the meeting be adopted.
- 3) a more detailed breakdown of staffing costs be circulated to Committee members, given that these costs had increased by £1m compared to the previous year.

FA11. Effectiveness of Internal Audit

Consideration was given to Report No. 9, which was circulated with the agenda, and presented work undertaken to determine the effectiveness of the Internal Audit service. The following issues were discussed:

- ◆ Officers confirmed that the outstanding 18% of work set out in the audit plan had now been completed.
- ◆ It was noted that a report outlining areas of weakness and proposed improvements to the internal audit service would be brought to a future meeting.
- ◆ The Committee noted that there was a shortfall in the number of final reports issued within 15 days of the draft report. Officers confirmed that this was an issue and that work would be undertaken to establish more effective escalation methods.

Resolved that the Officer findings set out in the report be endorsed.

FA12. Statement on Internal Control 2006/07

Consideration was given to Report No. 10, which was circulated with the agenda. The report presented the Statement on Internal Control for 2006/07 for approval. The Statement on Internal Control would form part of the Council's Statement of Accounts.

It was felt that the management of risk had now improved and the importance of continuing to identify any potential risks and of managing these effectively was stressed.

Resolved:

- (1) that the Statement on Internal Control for 2006/07 be approved.
- (2) that the management of strategic risks be brought to the Committee as a standard item on each future Agenda.

FA13. Risk Management Update

Consideration was given to Report No. 11, which was circulated with the agenda. The report provided an update on developments in risk management and also provided a suggested way forward in implementing the recently approved Risk Management Strategy under the new Council structure. It was noted that the Risk Strategy Group would now be reconstituted and Officers agreed to consider what risk management training would be required.

Resolved that:

- 1) the update report be noted and the proposed way forward in embedding Risk Management within the Council be supported.
- 2) an updated Strategic Risk Register be presented to the next meeting of the Committee.

FA14. Cricklade Leisure Centre

Consideration was given to Report No. 12, which was circulated separately from the agenda. The report set out the situation regarding Cricklade Leisure Centre as agreed by the Executive Committee on 6 March 2007.

The following issues were discussed:

- ◆ It was noted that the Executive had conditionally approved the release of £60,000 to the Cricklade Community Association.
- ◆ The Association was required to produce audited accounts.
- ◆ The Leisure Centre was required to adhere to Health and Safety legislation and, although the Council was not required to check on repair and maintenance of the building if the business failed then the lease would be returned to the Council.

Resolved that the report be noted.

FA15. Draft Internal Audit Strategy 2007/08

Consideration was given to Report No. 13, which was circulated with the agenda, and presented the Internal Audit Strategy 2007/08.

Resolved that the Draft Internal Audit Strategy be approved.

FA16. Awareness Raising Sessions

Consideration was given to Report No. 14, which was circulated with the agenda. The report suggested possible topics for awareness raising sessions for the Final Accounts and Audit Committee.

Resolved that Awareness Raising Sessions be held on the following issues:

- (a) Corporate Governance
- (b) Risk Management – this should be a half-day session available to all Members of the Council.
- (c) Understanding the Budget Book.

FA17. Work Programme 2007/08

Consideration was given to Report No. 15, which was circulated with the agenda, and sets out a work programme for 2007/08 for the Final Accounts and Audit Committee.

Resolved that the work programme for 2007/08 be approved subject to the inclusion of an item on Risk Management to each future meeting.

FA18. Exclusion of Press and Public

Resolved that the press and public be excluded from the remainder of the meeting under Section 100A(4) of The Local Government Act, 1972 on the grounds that the following item of business involves the likely disclosure of exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

FA19. Limited Assurance Audit Reports

Consideration was given to Report No. 17, which was circulated with the agenda, and included full details of those audit reports which had been awarded a “Limited” assurance or less.

There were three limited assurance audit reports regarding:

- ◆ Sundry Debtors
- ◆ Budgetary Control
- ◆ Business Continuity

Members discussed the reports in detail and officers responded to a number of questions.

Resolved that the contents of the report be noted.

The meeting closed at 7.45pm

There was one member of the public present.