

Title: **Audit Committee Annual Report**

Reporting Member: **Cllr J Osborn – Chairman of Audit Committee**

Reporting Officers: **Ian Jamieson – Corporate Director (Chief Finance Officer)**

Purpose

The purpose of this report is to provide details of the work undertaken by the Audit Committee during the year April 2008 to March 2009.

Background

The Audit Committee has been operating since April 2006. It has responsibility to examine the effectiveness of the authority's internal and external audit functions, reviewing risk management and the proper financial management of the Authority.

The committee makes reports and other recommendations to Council and/or Cabinet in connection with the above and the improvement of the authority's services.

The Audit Committee has a forward work plan, which is regularly reviewed and updated. In developing the forward work plan the Chairman and Vice Chairman of the committee meet with the Corporate Director (Chief Finance Officer) to review current and future issues.

The Committee consists of seven members and meets on a quarterly basis. It met on three occasions during the year. The attendance figures show that three members attended all three meetings and the majority of members attended two thirds or more of the meetings held.

The Audit Committee would like to thank all members who have contributed their time and effort to the work of the Committee.

Key Issues

The Committee considered a range of items during the year, a summary of the main areas is given below:

Statutory Financial Statements

The committee reviewed and approved the Annual governance Statement, which forms part of the Statement of Accounts. This describes the control environment in operation for the year of the accounts. Members considered the accuracy and fairness of representation of the control environment and the significant control issues. Progress on dealing with the significant control issues was reported to future meetings.

The Statement of Accounts (subject to audit) for the financial year ended 31 March 2008 was approved after robust examination and challenge.

Reports from the Corporate Director (Chief Finance officer)

The reports received by the committee and action taken are given below:

- Annual Governance Statement 2008/09 - approval for inclusion in Financial Statements.
- Debt Recovery and arrears - review of systems and processes.
- Annual Treasury Management Stewardship report - noted and advised the Council that it is satisfied with the revised prudential indicators 2007/08.
- Asset Management Strategy and Plan - reviewed the revised framework and self assessment.

Reports from the Audit Commission -External audit

The committee reviewed and noted the following reports during the year:

- Audit and Inspection Plan 2008/09 - sets out planned work for the year.
- Annual Governance Report and Statement of Accounts 2007/08 - gives an opinion on the financial statements and arrangements for securing economy, efficiency and effectiveness in the use of resources.
- Use of Resources Auditor Judgement 2008 - evaluates how well resources are managed

Reports from KPMG - Internal Audit

The committee reviewed and noted the following reports during the year:

- Internal Audit Annual report 2007/2008 and 2008/09 - reviews audits carried out during that year and gives an opinion on the adequacy and effectiveness of the Council's risk management, control and governance processes.
- Internal Audit Operational Plan 2008/09 and Strategic Plan 2008/09 - sets out work required to generate an opinion on the control environment.
- Treasury Management
- Accountancy and Budgetary Control
- Expenditure and Creditors
- Payroll
- Income and Debtors
- Council Tax and NNDR.
- Housing and Council tax Benefit.

Other Reports

- Partnerships 2007/08
- Review of Cash Income.
- Accounts Preparation Review.
- Local Housing Allowance Payments.
- Review of 5 Towns Initiative.
- Trade Waste Options.
- Discretionary Rate Relief.
- Audit Committee meeting with External and Internal Auditors.

Effect on strategies and codes

The work of the Audit Committee may well have an impact on strategies and codes. Recommendations to Cabinet could result in the review or amendment of policies and strategies, both service specific and Council wide.

Finance and performance implications

There is no specific budget for the Audit Committee

Risk management implications

There are no specific risk management implications arising from this report.

Legal human rights implications

There are no legal and human rights implications arising from this report.

Recommendations

The Council is asked to consider this report.

Background papers

Reports and minutes of Audit Committee 2008/09 are located in Finance, room F31.