

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE – 22 SEPTEMBER 2009

SUBMITTED TO THE COUNCIL MEETING – 20 OCTOBER 2009

(To be read in conjunction with the Agenda for the Meeting)

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| * Cllr Mike Causey | * Cllr Tom Martin |
| * Cllr Tony Gordon-Smith | * Cllr Stephen Mulliner |
| Cllr Nicholas Holder | * Cllr Ken Reed |
| * Cllr Mrs Diane James | |
- * Present

Also Present: Paul Grady, District Auditor, Audit Commission
Jamie Bewick, Audit Manager, Audit Commission

15. MINUTES

The Minutes of the meeting held on the 29th June 2009 were confirmed and signed.

16. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Nicholas Holder

17. DISCLOSURE OF INTERESTS

There were no interests raised under this heading.

PART I – RECOMMENDATIONS TO THE COUNCIL

There were no matters raised under this heading.

PARTS II & III – MATTERS OF THE REPORT

Background Papers

The background papers relating to the following report items in Parts II and III are as specified in the agenda for the Audit Committee.

Part II – Matters reported in detail for the information of the Council

There were no matters falling within this category.

Part III – Brief Summaries of other matters dealt with

18. PROGRESS ON AUDIT RECOMMENDATION IMPLEMENTATION

(Agenda Item 8, Appendix D)

The sequence of the agenda was changed at the request of the Chairman.

At Annexe 1 the Committee received a Covalent-generated report from The Head of Internal Audit. The Chairman requested a response from each Head of Service to explain the current status of audit recommendations that had fallen behind schedule. Individual recommendations were provided for each Head of Service relating to updating schedules.

At Annexe 2 the Committee received a report outlining Internal Audit recommendations 2005/06 not yet implemented. Items listed on this report remain outstanding as of 30 September 2009, many having been superseded by other recommendations or are no longer relevant. The Head of Internal Audit presented the report to the meeting requesting advice for future action.

18.1 Following discussion the Committee agreed that the following actions be taken:

- i. the progress on audit recommendations for the Audit Committee, as set out at Annexe 1, becomes a regular item on the meeting agenda;
- ii. no item should be cancelled or deleted from the Covalent system without Audit Committee approval. Any proposals to formally cancel or amend recommendations should be presented at each Audit Committee meeting; and
- iii. all ongoing recommendations from 2005/06 are registered on the Covalent system; and
- iv. all other recommendations from 2005/06 should be subject to a formal cancellation proposal supported by written reasons and presented to the November Audit Committee meeting.

18.2 The Committee accordingly RESOLVED that actions above be implemented.

19. AUDIT COMMISSION'S ANNUAL GOVERNANCE STATEMENT 2008/09
(Agenda Item 5, Appendix A)

At Annexe 1 the Committee received a draft copy of the Audit Commission's Annual Governance Statement 2008/09 along with a draft letter of recommendation.

19.1 The Chairman advised the District Auditor of the Committee's unhappiness with the late arrival of the Annual Governance Statement and letter of recommendation. It was explained that the Fixed Asset valuation section of the report had taken longer to undertake this year due to the economic recession. The Audit Commission agreed to provide an alert in future if such matters are to affect an anticipated delivery schedule.

- 19.2 The financial statements were found to be satisfactory and free from material error (subject to satisfactory completion of remaining work).
- 19.3 A discussion took place concerning the suggested areas for improvement shown in Appendix 3 to the Governance Statement, especially noting strategic approaches to partnership working. It was also noted that from 2009/10 the Audit Commission would include new assessment criteria on sustainability and natural resource management.
- 19.4 The preparations for the 2009/10 Report were planned to commence earlier this year to enable the Audit Commission to submit nearer to the end of the financial year. The Audit Committee would be provided with more information regarding this schedule.
- 19.5 The letter of representation was approved by the Audit Committee under the delegated authority of the Council and duly signed by the Deputy Chief Executive.
- 19.6 The Action Plan detailed in the Governance Statement Appendix 4 was accepted.
- 19.7 Cllr James was not able to support recommendations 1 & 2 in relation to the Audit Commission's Annual Governance Statement because she felt the late circulation of the item had not allowed her sufficient preparation time.
- 19.8 The Committee accordingly

RESOLVED that

- i. the Audit Commission's Annual Governance Report for 2008/09 is approved; and
- ii. the changes to the draft Statement of Accounts for the financial year ended 31 March 2009 detailed in the Annual Governance Report are noted.

20. ITIL PROGRESS REPORT (Agenda Item 6; Appendix B)

The Committee received an update report on progress made with regard to the implementation of ITIL at Annexe 1.

- 20.1 Following discussion, it requested that members of the Committee are sent a revised report electronically three weeks prior to the date of the next Committee meeting. This report should be produced after consultation with the Audit Committee Member leading on ITIL.
- 20.2 The Committee accordingly

RESOLVED that

- i. the project plan attached to the report is noted; and
 - ii. the Committee continue to receive updates on progress at each meeting.
21. REVIEW OF INTERNAL AUDIT TERMS OF REFERENCE & STRATEGY
(Agenda Item 7; Appendix C)

The Committee was invited to endorse the reports Annexe 1 and Annexe 2 which set out revisions to the Internal Audit Terms of Reference and the Internal Audit Strategy.

21.1 RESOLVED that

- i. the revised Internal Audit Terms of Reference and Strategy reports be accepted.

The meeting commenced at 7.00 p.m. and concluded at 9.50 p.m.

Chairman

Comms/audit/2008-09/006 minutes