

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE – 22 JUNE 2010

SUBMITTED TO THE COUNCIL MEETING – 20 JULY 2010

(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 Peter Isherwood | * Cllr Ms Jane Thomson  |
| Cllr Mrs Diane James   |                         |
- \* Present

1. ELECTION OF CHAIRMAN (Agenda Item 1)

RESOLVED that Councillor Stephen Mulliner be elected Chairman of the Committee for the Council year 2010/2011.

2. ELECTION OF VICE-CHAIRMAN (Agenda Item 2)

RESOLVED that Councillor Mike Causey be elected Vice-Chairman of the Committee for the Council year 2010/2011.

3. MINUTES (Agenda Item 3)

RESOLVED that the Minutes of the Meeting held on 22 March 2010 be confirmed and signed.

4. APOLOGIES FOR ABSENCE (Agenda Item 4)

Apologies for absence were received from Cllr Peter Isherwood and Cllr Mrs Diane James.

5. DISCLOSURE OF INTERESTS (Agenda Item 5)

There were no interests raised under this heading.

**PART I – RECOMMENDATIONS TO THE COUNCIL**

There were no matters falling within this category.

**PARTS II AND III – MATTERS OF 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**

6. TERMS OF REFERENCE (Agenda Item 7; Appendix A)

RESOLVED that, there being no changes to be made, the Terms of Reference for the Audit Committee be noted.

7. REVIEW OF PROGRESS IN IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Agenda Item 8; Appendix B)

The Committee received an updated Annexe 1, printed earlier in the day, which included the most up-to-date comments made by Heads of Service. The Chairman requested that for future meetings, all comments were to be updated two weeks before the date of the Audit Committee. This should also include comments on those actions which would not be completed before the next time the Committee was due to meet.

The Committee agreed that the following actions should be taken with regard to a number of outstanding recommendations:-

IA10/17.003 and IA10/17.004	Compliance with CPRs and Goods Receipting [Purchasing and Creditor Payments]	An update report to be given at the November meeting.
IA10/23.003	SLAs for bailiffs [Council Tax]	Agreed to extend date to 31.07.2010
IA09/23.001	Procedure Notes [NDR]	Agreed to extend date to 1.11.2010
IA10/06.004	Contract for chauffeur services [Mayoralty/Civic Expenses]	Agreed that tenders should be submitted by 1.8.2010 with view to contract starting on 1.9.2010.
IA06/11.001	Recreation Grounds	Agreed to extend date to 30.9.2010 following report to the Executive on 7.9.2010.

RESOLVED that the actions be approved as set out above.

8. DRAFT STATEMENT OF ACCOUNTS 2009/2010 (Agenda Item 9; Appendix C)

The Committee gave detailed consideration to the draft Statement of Accounts for 2009/2010 and received comprehensive responses from the officers on a number of issues raised.

The Committee again expressed concern about the viability of the Local Government Pension Scheme and it was reported that as part of the

Emergency Budget announced by the new Coalition Government, John Hutton was undertaking a review with an interim report back expected in September. It was expected that there would be changes to the scheme likely to affect the contribution rate for staff which could start impacting from April. The Section 151 Officer advised the Committee that local government pensions were different to other public sector pensions because they were part-funded and that, in its current format, the pension scheme was unsustainable.

RESOLVED that

1. the Draft Statement of Accounts for the financial year ended 31 March 2010 be approved; and
2. the revised main accounting policies, as shown at Annexe 2, be noted.

9. ANNUAL GOVERNANCE STATEMENT (Agenda Item 10; Appendix D)

The Committee received the Annual Governance Statement which sets out the key elements of the Council's internal control framework and identifies any issues that need addressing in the coming year.

RESOLVED that the Annual Governance Statement be approved, as attached as Annexe 1, for information.

10. AUDIT COMMISSION AUDIT OPINION PLAN (Agenda Item 11; Appendix E)

The Committee received two Audit Opinion Plans from the Audit Commission, one relating to Waverley and the other to the Shottermill Recreation Ground and Swimming Pool.

It was reported that the fees payable to the Audit Commission included an element for inspection work for the Use of Resources assessment which no longer needed to be undertaken. It was agreed that officers would draft a letter for the Chairman to send to the Audit Commission requesting that an estimate of the charge for the inspection work should be identified and that Waverley should be informed by how much the fee would be reduced as a result.

With regard to the Shottermill Recreation Ground and Swimming Pool, it was agreed that a Meeting of the Council as Trustee would be held immediately after the Council meeting in July to approve the annual accounts and that officers would investigate in detail the possibility of transferring the assets to Waverley and identifying it as a separate asset on the Waverley accounts.

RESOLVED that the reports be noted.

11. HEAD OF INTERNAL AUDIT'S ANNUAL REPORT 2009/2010 (Agenda Item 12; Appendix F)

The Committee received a written report of the Head of Internal Audit supporting the Annual Governance Statement and intended to be a key source of assurance regarding the governance of the Council. The Head of Internal Audit introduced the report and commented that, based on the work of Internal Audit during the year, there were no serious matters identified and no reports had been made under the Whistleblowing Policy, despite recent publicity given to it. Officers agreed to test the electronic element of the IT system of reporting under the whistleblowing policy.

The Committee noted that, with regard to the sign off process for Internal Audit reports, clarity about realistic timescales for each stage in the process was required and officers were asked to look into this. The Chairman was keen to encourage a culture of Internal Audit reports being completed as soon as possible which should result in completion dates being shortened.

RESOLVED that

1. the contents of the report and the assessment of the Council's internal control and governance arrangements be received; and
2. the Committee notes that the Council's control environment is reviewed regularly and revised as necessary and that identified areas for improvement are being given due attention.

12. ANNUAL REVIEW OF THE SYSTEM OF INTERNAL AUDIT (Agenda Item 13; Appendix G)

The Committee considered a report prepared in accordance with the Accounts and Audit Regulations 2006 which require local authorities to undertake a review of its arrangements for internal audit. It was reported that the system of Internal Audit had been strengthened as a result of the Committee's interest in the implementation of Audit recommendations. However, the review had highlighted a number of further improvements which would be made.

RESOLVED that the achievements be noted and the improvements outlined in the report be supported.

13. PROGRESS REPORT: LANDLORD SERVICES AUDIT COMMISSION INSPECTION (Agenda Item 14; Appendix H)

The Committee congratulated officers on completing all the work required after the inspection on time.

RESOLVED that

1. the contents of the report be noted;

2. members acknowledge the completion of the project and that no further progress reports were required other than routine updates; and
3. officers be tasked to promote the successful completion of the project.

**The meeting commenced at 7.00 p.m. and concluded at 9.04 p.m.**

Chairman

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