

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE – 28 SEPTEMBER 2010

SUBMITTED TO THE COUNCIL MEETING – 12 OCTOBER 2010

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

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| * Cllr Stephen Mulliner (Chairman) | Cllr Mrs Diane James |
| * Cllr Mike Causey (Vice-Chairman) | * Cllr Tom Martin |
| * Cllr Tony Gordon-Smith | Cllr Ms Jane Thomson |
| Cllr Peter Isherwood | |

* Present

Kathryn Sharp, Audit Manager for the Audit Commission was also in attendance
Paul Grady, District Auditor attended to present the report at Minute No. 17

14. MINUTES (Agenda Item 1)

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

15. APOLOGIES FOR ABSENCE (Agenda Item 2)

Apologies for absence were received from Cllrs Peter Isherwood, Mrs Diane James and Ms Jane Thomson.

16. DISCLOSURE OF INTERESTS (Agenda Item 3)

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

17. AUDIT COMMISSION'S ANNUAL GOVERNANCE REPORT 2009/10
(Agenda Item 6; Appendix B)

The Committee received the Audit Commission's Annual Governance Report for 2009/2010 and the draft Letter of Representation for the Committee's approval.

The Audit Commission complimented the overall high standard of the financial statements which were supported by timely and clear working papers. A non-trivial overstatement of debtors had been identified during the testing of debtors. Officers reported that there was no proposal to amend the financial statements in this respect because the amount of work needed to correct the accounts was disproportional to the amount involved, which was not material.

The Committee requested that where the uncorrected misstatements were reported on the draft letter of representation, the statement be amended to explain that the cost of correcting the accounts and supporting notes would not represent value for money and that the Chairman of the Committee and the Head of Finance and Performance be delegated to agree the final wording of this amendment.

RESOLVED that

1. the Audit Commission Annual Governance Report for 2009/2010 be received;
2. the Letter of Representation for 2009/2010 be approved, subject to the amended wording to be agreed by the Chairman of the Committee and the Head of Finance and Performance; and
3. the changes to the Draft Statement of Accounts for the financial year ended 31 March 2010 detailed in the Annual Governance Report be noted.

18. REVIEW OF PROGRESS IN IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Agenda Item 5; Appendix A)

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

IA09/23.007 and IA09/24.005	Formal tendering and contract process to be put in place [NDR and Council Tax]	Agreed to a final extension to 15 December 2010.
IA09/24.001 and IA10/23.001	Procedure Notes [Council Tax]	Agreed to extend date to 1.11.2010

IA10/25.007	Report of accounts in arrears being paid by direct debit should be run [Debt recovery]	Agreed to extend date to 31.10.10.
IA10/06.004	Contract for chauffeur services [Mayoralty/Civic Expenses]	Agreed to a final extension to 15.10.10.
IA10/20.001	Asset Management Strategy [Property Management Plan]	Agreed to extend date to coincide with Executive consideration of the Strategy at its meeting on 2.11.10.

With regard to the Asset Management Strategy, it was noted that this action had not been completed as expected because of a Portfolio Holder request to defer consideration of the item by the Executive from October to November. The Committee reiterated the importance of complying with audit recommendations and ensuring that Portfolio Holders were kept appropriately informed.

RESOLVED that the actions be approved as set out above.

19. SHOTTERMILL RECREATION GROUND AND SWIMMING POOL (THE HERONS) (Agenda Item 7; Appendix C)

The Committee considered a report, as requested by them at their last meeting, setting out the possibility of transferring the assets associated with the Shottermill Trust to Waverley and identifying them as separate assets on the Waverley accounts. It was concluded that the assets could not be transferred to Waverley because of the charitable status of the Trust but that the annual accounts could be prepared in a simpler form which would only require an independent examination and not an in-depth audit. This would result in a saving of approximately £2,000 in Audit fees.

The Committee was informed that a report streamlining the future decision-making process would be considered by the Trust at its next meeting immediately after the Council meeting in October when it would also be approving the annual accounts. It was noted that should the Charity Commission rules on dissolution change in the future, this matter could be revisited.

RESOLVED that

1. the report at Appendix C to the agenda be sent to all Haslemere ward councillors for information; and
2. the streamlined decision-making process be reported to the next meeting of the Council acting as Trustee of the Shottermill Trust for approval.

20. EXCLUSION OF PRESS AND PUBLIC (Agenda Item 8)

RESOLVED that, pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in the following paragraphs of the revised Part I of Schedule 12A to the Act, namely:-

1. Information relating to any individual; and
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

21. REVIEW OF IT AUDITS 2009/10 (Agenda Item 9; (Exempt) Appendix D)

The Committee considered the report at (Exempt) Appendix D and agreed the decisions as set out in the (Exempt) Minute attached.

The meeting commenced at 7.00 p.m. and concluded at 8.58 p.m.

Chairman