

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE – 18 SEPTEMBER 2012

SUBMITTED TO THE COUNCIL MEETING – 16 OCTOBER 2012

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

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| * Cllr Tom Martin (Chairman) | Cllr David Munro |
| * Cllr Stephen Mulliner (Vice-Chairman) | Cllr Elliot Nichols |
| Cllr Jim Edwards | * Cllr Donal O'Neill |
| Cllr Stephen Hill | |
- * Present

12. MINUTES (Agenda Item 1)

RESOLVED that the Minutes of the Meeting held on 26 June 2012 be confirmed and signed.

13. APOLOGIES FOR ABSENCE (Agenda Item 2)

Apologies for absence were received from Cllrs Jim Edwards, Stephen Hill, David Munro and Elliot Nichols.

14. DISCLOSURES OF INTERESTS (Agenda Item 3)

There were no interests declared 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

15. AUDIT COMMISSION ANNUAL GOVERNANCE REPORT 2011/12 (Agenda Item 8; Appendix D)

Paul Grady and Kathryn Sharp were present at the meeting and introduced the Audit Commission's Annual Governance Report for the year 2011/12. They reported that the financial statements had been prepared to a high standard with all working papers being very clear and comprehensive.

It was reported that all but one error had been corrected and it was explained that officers had chosen not to amend the accounts with regard to this as the potential misstatement was based on an extrapolation of one invoice relating to the 2011/12 housing assets account, and not an actual error. It was found that there were no specific errors or misstatements relating to significant risks.

The Committee discussed the issue of car parking income. It was explained that the shortfall was caused by foreign and forged coins being used in parking machines and whilst it was not a large amount when compared to total annual parking revenue, it was unclear as to whether Waverley or the contractor should absorb the costs. It was also asked if there were any plans to move to a phone or card based payment system; the committee was informed that the cost-effectiveness of this would need to be considered and was something that the Head of Environmental Services and the portfolio holder were looking into.

With regard to the comment in the Value for Money report that Waverley's unallocated reserves were in the highest third compared to statistical neighbours, one member of the Committee asked what this figure was. Further to the meeting Kathryn Sharp clarified that the average of Waverley's statistical neighbours' unallocated reserves in 2010/11 was £6,051.75.

Paul Grady concluded that the standard of accounts was very high, and that he would issue an unqualified opinion on the financial statements. The Committee attributed this conclusion to the quality of work and professionalism of officers in preparing the accounts.

RESOLVED that

1. the Audit Commission's Governance Report for 2011/2012 be received; and
2. the Letter of Representation for 2011/2012 be approved.

16. STATEMENT OF ACCOUNTS 2011/12 (Agenda Item 9; Appendix E)

The Committee received the statement of accounts for the year ended 31 March 2012 for approval by 30 September. The Head of Finance had invited questions from members regarding the accounts prior to the meeting. The Committee thanked him for this opportunity and concluded that they were once again presented to a very high standard.

RESOLVED that

1. the Statement of Accounts for the financial year ended 31 March 2012 be approved; and
2. the Audit Committee confirm that the accounts have been prepared on a going concern basis.

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

The Committee was provided with updated versions of Annexe 1 and Annexe 2 to the report and reviewed the progress in implementing Internal Audit recommendations. With regard to targets, it was reiterated that they should be realistic, and the Internal Audit Manager confirmed that she liaised with Heads of service to ensure that targets were challenging but achievable.

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

IA12/17.001	Garden Waste Subscribers [Waste Management]	Agreed to cancel
IA12/24.003	Closing Balance Sheet Balances [Main Accounting]	Agreed to amend target date to 21.09.12
IA12/27.001	Code of Practice [Sheltered Housing]	Agreed to amend target date to 31.10.12
IA12/27.002	Scooter Policy [Sheltered Housing]	Agreed to amend target date to 31.10.12
IA12/27.004	Cash Collections [Sheltered Housing]	Agreed to amend target date to 31.10.12
IA12/27.005	Use of Receipts [Sheltered Housing]	Agreed to amend target date to 31.10.12
IA12/27.007	Policy on Social Funds [Sheltered Housing]	Agreed to amend target date to 15.12.12
IA12/27.010	GCSX Accounts [Sheltered Housing]	Agreed to amend target date to 30.09.12

RESOLVED that the actions to the outstanding recommendations be approved as set out in the table above.

18. INTERNAL AUDIT PLAN 2012/13 (Agenda Item 6; Appendix B)

The Committee received an update on the current position of the reviews in the 2012/13 plan.

RESOLVED that the current status of the 2012/13 Audit Plan be noted.

19. FIGHTING FRAUD LOCALLY (Agenda Item 7; Appendix C)

The Committee received the report on the government's Local Government Fraud Strategy "Fighting Fraud Locally" developed by Local Government for Local Government, addressing the need for greater prevention and smarter enforcement.

The Internal Audit Manager also informed the Committee that the gap analysis would be completed by the next Audit Committee.

Audit 7
18.09.12

RESOLVED that the contents of the report be noted and the Committee recognise that improvements to the policies and procedures may in future change the way in which we deal with fraudulent activities and the importance of participating in the NFI exercise whilst adopting and embracing the principles of the Government's Local Government Fraud Strategy "Fighting Fraud Locally".

The meeting commenced at 7.00 p.m. and concluded at 8.20 p.m.

Chairman