

AUDIT COMMITTEE

TUESDAY, 23 NOVEMBER 2010

PRESENT:- Councillors Michael Dickinson (Chair), Nick Martin, Mary Martin, Des Moffatt (Vice-Chair), Eric Shaw and Peter Stoddart

23. Declarations of Interest

The Chair reminded Members of the need to declare any known interests in any matters to be considered at the meeting.

24. Public Question Time

No questions were asked under Standing Order 18.

25. Minutes

Resolved - That the minutes of the meeting held on 21st September 2010 be confirmed and signed.

26. Internal Audit reports identifying significant risk or 'of concern' - Payment Card Industry Standards

The Committee received the final audit report following the review of the Council's controls and processes to ensure compliance with Payment Card Industry standards. The report was finalised on 29 July 2010 when an overall risk assessment of "Of Concern" was given. The Council's Group Finance Manager (Technical) was in attendance to provide a current position statement and he responded to members' questions on issues raised by the audit review, the management response to the audit conclusions and recommendations and progress in implementing the agreed action plan.

Resolved – (1) That the report be noted.

(2) That the management response provided in relation to Parking Services' collection of payment information over the telephone (Ref 3.3) be updated to address the specific concern around the recording of cardholders' 3-digit security code information.

(3) That the Group Finance Manager (Technical) be thanked for his attendance at the meeting and for his full and open responses to members' questions on issues relating to the outcomes of the Internal Audit review of Payment Card Industry standards.

27. Internal Audit reports identifying significant risk or 'of concern' - Section 38 Agreement

The Committee received the final audit report following the review of the risk and control environment around Section 38 Agreements work to ensure this statutory service is effectively managed and delivered in accordance with the provisions of the Highways Act 1980. The report was finalised on 7th September 2010 when an overall risk assessment of only "Moderate" was given. The Council's Head of Highway Network Management was in attendance to provide a current position

statement and responded to members' questions on issues raised by the audit review, the management response to the audit conclusions and recommendations and progress in implementing the agreed action plan.

Resolved – (1) That the report be noted.

(2) That the Head of Highway Network Management be thanked for his attendance at the meeting and for his full and open responses to members' questions on issues relating to the outcomes of the Internal Audit review of the Section 38 Agreements. That this Committee recognises and welcomes efforts of the Transport Development and Highway Network Management teams to introduce a Section 38 quality assurance programme that both simplifies and expedites the adoption process.

(3) That a training session be arranged for members on the topic of Section 38 Agreements, to also address the processes for adoption of green and open spaces, and that an invitation to attend the training session be made to the local Members of Parliament.

(4) That, with reference to members' comments regarding the lengthy delays experienced in completing a number of Section 38 Agreements, the Council be recommended (a) that the Local Member of Parliament for North Swindon be congratulated on his recent efforts in the House of Commons to highlight the issue of outstanding Section 38 agreements, and (b) to write to the Local Government Association expressing concern that local authorities are failing to properly pursue the completion of their adoption of new roads in accordance with formal Section 38 Agreements.

28. Accounting Policies

The Committee received a report of the Director of Finance, providing an overview of the various accounting policies underpinning the Council's annual statement of accounts. The Council's Group Finance Manager (Technical) introduced the report, highlighting revisions made to specific policies to accommodate changes to accounting standards, particularly in response to new International Financial Reporting Standards, and invited the Committee to review current accounting policies, summarised in Appendix 1 to the report, in advance of its consideration of the Statement of Accounts.

Resolved – (1) That the report be noted and that the Council's accounting policies, summarised in Appendix 1 to the report, be approved.

(2) That a report be made to a future meeting on the impact of International Financial Reporting Standards on the Council's accounting policies and the completion of the Statement of Accounts, and that reports be submitted to the Committee as appropriate on further material changes made to the Council's accounting policies.

29. Annual Audit Letter

Mr Martin Robinson and Mr Peter Smith of the Audit Commission presented the Annual Audit letter 2009/10, summarising the key messages of the audit in relation to the Council's financial statements and its arrangements to achieve value for money in its use of resources.

Resolved – That the Annual Audit Letter 2009/10 be noted.

30. Head of Internal Audit Update

The Committee received a report of the Head of Internal Audit summarising the main issues arising from the Internal Audit Reports finalised since the last Audit Committee meeting in September and progress made against the Annual Internal Audit Plan.

Resolved – (1) That the report be noted.

(2) That the Chair and Vice-Chair liaise with the Head of Internal Audit to determine which, if any, of the audit reports nearing conclusion should be submitted to the next meeting of the Committee for consideration.