

## **AUDIT COMMITTEE**

**TUESDAY, 19 JUNE 2012**

**PRESENT:-** Councillors Michael Dickinson (Chair), Des Moffatt (Vice-Chair), Steve Allsopp, Brian Ford, Mary Friend, Neil Heavens and Nick Martin.

### **1. Declarations of Interest**

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

### **2. Public Question Time**

No questions were asked under Standing Order 18.

### **3. Minutes**

Resolved - That the minutes of the meeting held on 3<sup>rd</sup> April 2012 be confirmed and signed.

### **4. Draft accounts 2011-12**

The Board Director, Finance, Revenues, Benefits and Property, introduced a report providing the Committee with an update on the Council's Pre-Audited Statement of Accounts for the Financial Year 2011/12. The Board Director explained that changes to the Accounts and Audit regulations now required him to sign off the draft accounts before they were sent for audit and that there was no longer any formal requirement for approval by the Audit Committee; however he felt that it remained good practice to involve the Audit Committee in the process. He advised that the audit of the accounts would continue throughout the summer and that the final accounts would be submitted for the Committee's consideration at its September meeting. The Board Director concluded his presentation of the draft accounts by highlighting the major issues within the accounts, primarily relating to the incorporation of the new debt for the Housing Revenue Account, the inclusion in the accounts of Heritage assets and changes relating to the asset values of Academy Schools.

Resolved – (1) That the Pre-Audited Statement of Accounts for the Financial Year 2010/11 be noted.

(2) That it be noted that the final accounts would be submitted to the September meeting of the Committee for consideration.

### **5. Audit Committee: Annual Report for the year 2011/12**

The Head of Internal Audit submitted a report introducing the Committee's Annual Report for 2011/12.

Resolved – That the report be noted.

### **6. Audit Committee - Terms of Reference**

The Committee received a report of the Head of Internal Audit detailing the Audit Committee's terms of reference and work programme for 2012/13.

Resolved – (1) That the Audit Committee's revised terms of reference and its work programme for 2012/13 be approved.

(2) That, in response to members' request, when they are finalised, the final accounts of Digital City (UK) Ltd be made available to the Audit Committee for inspection.

## **7. Internal Audit's Annual Report for the year 2011/12.**

The Committee received the Head of Internal Audit's Annual report for 2011/12.

Resolved – That the report be noted and that the Head of Internal Audit and his officers be thanked for their conscientious and hard work over last year in meeting the requirements of a very comprehensive audit programme.

## **8. Audit Committee: Effectiveness of the system of Internal Audit**

In compliance with the Accounts and Audit (Amendment) (England) Regulations 2011, the Head of Internal Audit submitted a report inviting the Committee to review the effectiveness of the Council's system of Internal Audit.

Resolved – That the various areas of assurance and supporting evidence set out in the report, and the information contained in the Checklist provided in the CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006, appended to the report, and the CIPFA Audit Committee Toolkit Self-Assessment Checklist, also appended to the report, as revised by the Committee during its consideration of the report, be accepted as providing assurance of the effectiveness of the Council's system of Internal Audit.

## **9. Draft Annual Governance Statement**

The Head of Internal Audit submitted a report providing the Committee with details of the draft Annual Governance Statement 2011/12, setting out the Council's governance arrangements and providing an assessment of the performance of those arrangements over the year.

Resolved – That the draft Annual Governance Statement 2011/12, appended to the report, be approved for signing off by the Leader of the Council and the Chief Executive.

## **10. Internal Audit reports identifying significant risk or 'of concern': Corporate Manslaughter/Health Safety and Wellbeing Update**

Further to Minute 5 2011/12, the Committee received a report on the follow-up review of progress in implementing the Management response to the Internal Audit recommendations arising from the review of the mitigating controls in place to prevent cases of corporate manslaughter. It was noted that the audit review was finalised in May 2010 when an overall risk assessment of "Of Concern" was given. It was further noted that the review had been carried out alongside a specific audit review on the Health and Safety arrangements operating in Adult Social Care. The Council's Board Director, Service Delivery, the responsible officer under the Council's new "Stronger Together Organisational structure, was in attendance to provide a current position statement and to respond to members' questions on issues raised by the follow-up review, the management response to the audit

conclusions and key recommendations, and progress in implementing the action plans.

Resolved – (1) That the report, and the details of the Draft Health and Safety Action Plan, tabled at the meeting, be noted.

(2) That a further progress report on the implementation of the action plans be submitted to the November 2012 meeting of the Committee.

## **11. External Audit - Progress Report**

Mr Peter Smith of the Audit Commission presented a progress report on the delivery of its responsibilities as the Council's external auditor, including an update on the externalisation of the Audit Practice, and highlighting a number of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report be noted.

## **12. 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 April 2012 and progress made against the Annual Internal Audit Plan. The report also advised that internal Audit had been successful in renewing its contract for the provision of audit services for the Wiltshire and Swindon Fire Authority.

Resolved – (1) That the report be noted.

(2) That the internal audit report on Payroll be submitted to the next meeting of the Committee for consideration.

(In accordance with the National Code of Local Government Conduct, in his capacity as the Deputy Chair of the Fire Authority, Councillor Nick Martin made a non-prejudicial declaration of interest in respect of the Committee's consideration of that part of the report relating to Internal Audit's securing of the contract for the provision of audit services to the Wiltshire and Swindon Fire Authority.)