

## **AUDIT COMMITTEE**

**TUESDAY, 25 JUNE 2013**

PRESENT:- Councillors Des Moffatt, Neil Heavens, Michael Bray, John Haines and Steve Weisinger (Chair)

Councillor Garry Perkins, Cabinet Member for Economy, Regeneration and Culture, was also in attendance.

Apologies for absence were received from Councillors Roderick Bluh.

### **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. Appointment of Vice-Chair**

Resolved – That Councillor Mick Bray be Vice-Chair of the Audit Committee for the Municipal Year 2013/14.

### **3. Public Question Time**

No questions were asked under Standing Order 28.

### **4. Minutes**

Resolved - That the minutes of the meeting held on 8<sup>th</sup> April 2013 be confirmed and signed.

### **5. Exempt Items - Exclusion of Press and Public**

That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the item listed below on the grounds that it involves the likely disclosure of exempt information as defined in the respective paragraphs of Part 1 of Schedule 12A of the Act.

<u>Item No.</u>	<u>Paragraph No.</u>	<u>Minute No.</u>
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### **6. Annual Statement of Accounts 2012/13**

The Committee received a report providing an update on the current position in relation to the preparation of the Council's Annual Statement of Accounts for 2012/13. The Board Director Resources introduced the report and, with the Finance Manager, Housing, Treasury and Growth, responded to members' specific queries and observations regarding the final accounts' process.

The Board Director referred to the presentation of the final accounts to the

Audit Committee in September of this year and that the scheduled meeting was earlier in the month than had been the case in previous years. He asked if the Committee might consider moving the meeting back to a date later in that month.

Resolved – (1) That the report be noted.

(2) That the Chair take up with the Cabinet Member for Economy, Regeneration and Culture, the feasibility of the Final Accounts for Forward Swindon Limited being submitted to the Audit Committee for consideration.

(3) That, with reference to the scheduled meeting of the Committee in September 2013, the Committee Officer, in liaison with the Board Director Resources and the External Auditors, identify a suitable alternative date later in September.

## **7. Audit Committee: Annual Report 2012/13**

The Head of Internal Audit submitted a report introducing the Committee's Annual Report for 2012/13.

Resolved – That the report be noted.

## **8. Head of Internal Audit Annual Report**

The Committee received the Head of Internal Audit's Annual report for 2012/13. It was noted that it was a requirement of the CIPFA Code of Practice for Internal Audit and the new Public Sector Internal Audit Standards that the Head of Internal Audit deliver an annual internal audit opinion and report that could be used by the organisation to inform its governance statement and that the annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation. The Annual Report provided the Committee with assurance from the Head of Internal Audit regarding the work of the Internal Audit section and his opinion with regard to the Council's overall arrangements for internal control.

Resolved – (1) That the report be noted.

(2) That, with reference to the percentage of customer feedback forms returned in respect of each completed Audit, as part of the future Audit process, a note from the Chair, emphasising the importance of receiving feedback, be appended to Internal Audit's requests for feedback from the parties to the Audit.

## **9. Review of the 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. Councillor Moffatt asked that his appreciation of the Head of Internal Audit's willingness to facilitate private discussions with him on audit related matters, over the period of the year, be recorded.

Resolved – (1) 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.

(2) That the Head of Internal Audit be asked to facilitate individual member discussions with the External Auditors.

**10. Draft Annual Governance Statement**

The Head of Internal Audit submitted a report providing the Committee with details of the draft Annual Governance Statement 2012/13, 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 2012/13, appended to the report, be approved, to be for signed off by the Leader of the Council and the Chief Executive.

**11. External Audit: Audit Plan**

Liz Cave, Engagement Lead with Grant Thornton, the Council's External Auditors, supported by Peter Smith, Audit Manager with Grant Thornton, presented the Audit Plan for 2012/13, detailing, in particular, the work to be undertaken in relation to the audit of risks identified through the planning and review of the national risks affecting the public sector and in support of the Value for Money conclusion.

Resolved – That the External Auditors' Audit Plan 2012/13 be accepted.

**12. External Audit: 2013/14 Fees Letter**

Liz Cave (Grant Thornton), presented to the Committee the details of the audit fee for the Council and the scope and timing of the proposed work programme.

Resolved – That the detail of the External Auditors' Planned audit fee for 2013/14, and the scope and timing of the proposed work programme, be noted.

**13. External Audit: Certification Work Report**

Peter Smith (Grant Thornton) presented a report regarding the certification of claims submitted by the Council and summarising the External Auditors' assessment of the Council's management arrangements in respect of the certification process and highlighting significant matters in relation to each of five claims and returns that were certified for the Financial Year 2011/12.

Resolved – That the report be noted.

**14. External Audit: Progress report**

Mr Peter Smith (Grant Thornton) presented a report advising the Committee of the External Auditors' progress in respect of the delivery of their audit responsibilities, including a summary of key emerging national issues and developments that might be of interest to the Committee.

Resolved – That the report be noted.

**15. Auditing Standards - Communication with the Audit Committee**

Mr Peter Smith (Grant Thornton) presented a report regarding the External Auditors' process in meeting the requirement placed on them to gain assurance from officers of the Council and those charged with governance regarding the ways in which the Council meets its responsibilities in the following areas:

- Fraud
- Law and regulation

- Going Concern
- Related parties
- Accounting for estimates

Resolved – That the report, and management responses set out therein regarding the control processes utilised by the Council, be noted and endorsed.

#### **16. 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 2013 and progress made against the Annual Internal Audit Plan. Councillor Des Moffatt referred to the guidance for the retention of CRB disclosure certificates (generally 6 months after the recruitment decision has been made). The Head of Internal Audit explained that this was the current guidance and outlined his understanding of the Council's practices for linking employment details with CRB records through the use of specific identifying numbers for each CRB check carried out.

Resolved – That the report be noted.

#### **17. Internal Audit reports identifying 'significant' risk or 'of concern': Museums Storage**

The Committee received a report on the latest position regarding the implementation of Internal Audit recommendations arising from the audit review of Museums Storage. It was noted that the overall risk assessment to the Council following the initial audit was considered "significant". The Council's Head of Leisure, Libraries, Culture and Traded Services, and the Service Manager for Leisure, Libraries and Culture, were in attendance to provide a current position statement in relation to the management response to the audit recommendations and to respond to members' questions on issues raised regarding the management response to the audit conclusions and key recommendations, and progress in implementing the action plan.

Resolved – (1) That the report, and the management response to the audit recommendations, be noted.

(2) That a further progress report be made to an appropriate meeting of the Audit Committee in Autumn 2013.