

AUDIT COMMITTEE
12th June, 2013

Present:- Councillor Sangster (in the Chair); Councillors Kaye, Sharman and Sims.

P1. MINUTES OF THE PREVIOUS MEETING HELD ON 24TH APRIL, 2013

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 24th April, 2013.

Resolved:- That the minutes of the previous meeting be approved as a correct record for signature by the Chairman.

P2. INTERNAL AUDIT 2012/13 ANNUAL REPORT

Consideration was given to a report presented by Marc Bicknell, Chief Auditor, which provided information on the role of Internal Audit, the work undertaken by the Service during the 2012/13 financial year and the Chief Auditor's overall opinion on the Council's control environment. Based upon the work undertaken, the report's contents confirmed that the Council's control environment for 2012/13 was adequate and operated satisfactorily during the year.

The report also referred to the formal review of the effectiveness of Internal Audit, required to be completed in accordance with the Accounts and Audit Regulations 2011. Members noted that Internal Audit had maintained high standards and met its performance targets during the year.

Further information was provided on the responsive work undertaken by Internal Audit which addressed issues which arose during the year that had not been provided for in the original Audit Plan and the measures maintained to review and improve the performance of the service.

The Committee recognised the need to strengthen arrangements and deliver an effective internal audit service within the allocated budget provision, but expressed some concern about third party risk especially around contracts.

Resolved:- (1) That the report be received and its contents noted.

(2) That the Internal Audit Annual Report for 2012/13, including confirmation that the Council's control environment was adequate and operated satisfactorily during the year be noted.

(3) That the effectiveness of internal audit in place for 2012/13 be confirmed.

P3. ANTI-FRAUD AND CORRUPTION ACTION PLAN UPDATE

Consideration was given to a report presented by Colin Earl, Director of Audit and Asset Management, which provided an update on progress in implementing the Council's strategy and action plan for managing the risk of fraud. The review of progress showed (i) good practice was being maintained in a large majority of areas, and (ii) action was continuing to be taken to update the Council's plans where needed. Members noted that the Council had a good track record for implementing current best practice relating to anti-fraud and corruption.

The submitted report also provided information on the level of fraud within the Council itself. This continued to show, with the exception of benefits fraud, that there was a very low level of fraud identified in the Council, confirming the robustness of the Council's arrangements and the honesty and integrity of the overwhelming majority of staff employed by the Council.

Further information was provided on the current arrangements and progress and the positive actions which had been taken to maintain the Council's position and the actions which were to be undertaken during 2013/14.

The Committee welcomed the delivery of the action plan which was managing the risk of fraud and sought clarification on the fraud trends and the communication of case outcomes.

Resolved:- (1) That the report be received and its contents noted.

(2) That the Council's overall good arrangements for managing the risk of fraud be noted.

(3) That the the actions being taken to update relevant parts of the Council's arrangements for managing the risk of fraud be supported.

(4) That the results of anti-fraud work in 2012/13 be received.

P4. DRAFT 2012/13 ANNUAL GOVERNANCE STATEMENT

Consideration was given to a report presented by Colin Earl, Director of Audit and Asset Management, which contained the draft Annual Governance Statement for 2012/13 which outlined the Council's view of the application of good governance standards within Council.

The report stated that the approach to the completion of the draft Annual Governance Statement has once again included the certification of statements of assurance by the Council's Cabinet Members and senior management. The process had, however, been expanded and improved this year, involving Cabinet Members and senior management recording key issues considered during the year. This change was a positive one

and in line with current good practice and a recommendation of the Audit Committee. It enabled the Council to show many significant issues it had faced during the course of the year and showed that the issues have been addressed effectively and without any significant weakness in governance.

The Audit Committee noted that the overall position was positive, with very good progress being made on the significant issues raised in last year's Statement and no new issues have arisen this year. Recommended practice required the Leader of the Council and the Chief Executive to sign the statement, prior to its publication with the Statement of Accounts, in September 2013.

It was suggested that the sign off sheet by Cabinet Members be revised to include sufficient space for a comments section to be included.

Resolved:- (1) That the report be received and its contents noted.

(2) That the 2012/13 draft Annual Governance Statement, as now submitted, be approved insofar as the Audit Committee be concerned.

(3) That the requirement for the Leader of the Council and the Chief Executive to sign the Statement, prior to the publication of the Council's accounts, be noted.