

Minutes

Name of meeting	AUDIT COMMITTEE
Date and time	THURSDAY, 28 JUNE 2012 AT 6.00PM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT
Members Present	Cllrs Stuart Hutchinson (Chair), Reg Barry, Ian Stephens, Andy Sutton,
Other Members (non-voting)	Cllr David Pugh
Officers	Jon Baker, Sharon Betts, Steve Beynon, Dave Burbage, Stuart Fraser Bob Streets, Jo Thistlewood, Richard Williams
Internal Auditors	Emma Butler (PWC), Geraint Newton (PWC)
Apologies	Mr Garry Smith (co-opted non-voting), Cllr Ian Ward

1. [Minutes](#)

Members reviewed the minutes to the previous meeting held on [15 May 2012](#).

RESOLVED:

THAT the minutes be agreed.

2. [Declarations of Interest](#)

None declared.

3. [Public Question Time](#)

There were no written public questions received

4. [Draft Work Programme](#)

The draft programme for the schedule of committee activity over the coming year was reviewed and the committee was advised that along with the standard agenda items scheduled, further training would also be addressed as and when required.

RESOLVED:

THAT the Draft Work Programme be noted.

5. **Annual Report of the Head of Internal Audit**

The Business Effectiveness Manager presented to members a report which advised on the annual activities of the internal audit function and the outcomes of the work carried out as well as providing an opinion on the council's control regime.

It was noted that the number of findings identified in the HR/ payroll review meant that it was classed as high risk. It was therefore deemed necessary to provide the committee with a separate report which would be presented as agenda item 6

RESOLVED:

THAT the Internal Audit Report be endorsed.

6. **Internal Audit Report – Payroll / Human Resources**

The committee was presented with a report by the Business Effectiveness Manager which provided a response to the outcomes of the internal audit review of the council's payroll / HR system by PricewaterhouseCoopers (PwC).

Members were advised that the audit identified two high risk findings, five medium risk findings and three low findings, making it a 'high risk'.

With regard to the recommendation around the implementation of the use of WinZip encryption, or equivalent, and other improvements to security, the committee was advised that they would be provided with an update by the next meeting.

RESOLVED:

THAT the Internal Audit Report – Payroll / Human Resources be noted

7. **Treasury Management Annual Report 2011/12**

The councils Technical Finance Officer presented to members an annual report which advised on treasury management policies, practices and activities for the financial year 2011-12.

The report was in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management 2011 and the council's approved Treasury Management Strategy 2011-12.

It was noted that the report had also been presented to the Treasury Management Group, which met on a monthly basis, to review treasury management issues arising. The group consisted of the Strategic Director of Resources, the Head of Financial Management, and the Finance Manager for Resources as well as the Technical Finance Officer.

RESOLVED:

THAT the Treasury Management Annual Report 2011/12 be noted

8. **Statement of Account's - Draft Final Accounts 2011-12**

The Strategic Director of Resources and the Head of Financial Management presented to the committee a paper which reported on the council's financial position, revenue budget and capital programme performance during the 2011/12 financial year. Members were advised that as in the previous year, the draft accounts provided were an abridged version and that the full edition would be presented to the next meeting in September 2012.

Members were also reminded that following the Accounts and Audit (England) Regulations 2011, there was no longer a mandatory requirement to approve the draft accounts on or before 30 June each year. Approval of the final statement of accounts would now be sought from Full Council, or by a committee with delegated authority, such as the Audit Committee, on or before 30 September of each year.

Members requested that a full list of Heritage Assets be provided to them following the meeting.

With regard to the joint partnership with Southampton City Council, it was noted that savings were still anticipated. Whilst the shared economy and environment director arrangement would no longer continue, savings would still be achieved elsewhere.

Members were also assured that savings were still on target around Social Care. As part of the process, Social Care employees would relocate to County Hall, making further savings from more efficient use of accommodation. Members were advised that no service users would suffer as a result of the efficiencies.

RESOLVED:

THAT having considered the contents of the report and the draft Statement of Accounts, as signed by the Strategic Director of Resources on behalf of the council, the draft accounts be noted pending a further report to approve the final accounts for publication in September 2012 following completion of the annual audit process.

9. **Annual Governance Statement (AGS) - 2011/12**

Committee members were presented with a report by the Business Effectiveness Manager which sought approval of the AGS 2011-12 and followed consideration of the draft statement at the May 2012 Audit Committee meeting. The statement was a requirement under the Accounts and Audit Regulations 2011.

The draft statement had been reviewed internally by Strategic Directors and by the Senior Management Group.

RESOLVED:

- i. THAT the Annual Governance Statement be approved.
- ii. THAT the remedial actions required to improve the governance arrangements be agreed.

10. **Audit Committee Annual Report**

The Business Effectiveness Manager presented to the committee as report which set out their work and performance during the year, including how it had met its terms of reference.

The Audit Committee played an important role in the council's governance arrangements providing independent assurance of the adequacy of the risk management framework and the associated control environment including scrutiny of its financial and non-financial performance.

RESOLVED:

THAT the Audit Committee Annual report be endorsed.

11. **Member Question Time**

Whilst there were no written questions received within the deadline, the committees co-opted member, whilst absent, relayed some questions on the internal audit reports to the Chair.

The committee was advised that answers would be provided in writing to all members following the meeting.

CHAIRMAN.....