

AUDIT COMMITTEE
26 JUNE 2007

Present: Councillors Chowney, Pragnell, Silverson and Smith (in the Chair)

Apologies for absence were received from Councillor Springthorpe.

1. MINUTES

RESOLVED – that the minutes of the meeting held on 27 March 2007 be approved and signed by the Chair as a true record.

2. DECLARATIONS OF INTEREST

Councillors made no declarations of interest at this meeting

3. FINAL ACCOUNTS 2006 - 07

The Executive Manager, Financial Services presented the report of the Deputy Chief Executive and Director of Corporate Resources setting out the final accounts position for 2006-07 and seeking authority to: -

- (i) finance capital expenditure as indicated; and
- (ii) agree reserve movements as indicated.

The Committee was also asked to approve the Statement of Accounts on behalf of the Council in accordance with the Accounts & Audit Regulations 2003.

There was an improvement in the General Fund revenue outturn compared to the revised budget. The accounts for 2006-07 were complete but subject to examination by the District Auditor.

RESOLVED (unanimously) – that: -

- (1) the Statement of Accounts be approved and signed by the Chair of the Audit Committee and the Deputy Chief Executive & Director of Corporate Resources, in accordance with the Accounts & Audit Regulations 2003;**
- (2) movements on reserves be agreed as set out in Appendix C, subject to amendment to reflect any changes between provisional outturn and final outturn;**
- (3) the methods of financing capital expenditure for 2006-07 as set out in Appendix E be approved;**
- (4) capitalisation of revenue expenditure as set out in paragraph 6 be approved; and**
- (5) Cabinet be asked ratify the decisions made above.**

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4. EXTERNAL AUDIT; ANNUAL AUDIT AND INSPECTION PLAN

The Chief Auditor submitted a report on the audit and inspection arrangements proposed by Pannell, Kerr, Forster (PKF) and the Audit Commission for 2007 / 08. Bob Grant of PKF was in attendance at the meeting. He presented his report and answered questions from members. He also drew attention to the increase in the fees.

RESOLVED – that the external audit's audit and inspection plan for 2007 / 08 be approved.

5. DRAFT AUDIT COMMITTEE'S 2006 – 07 REPORT TO COUNCIL

The Chief Auditor presented a report on the Council's Corporate Governance arrangements as summarised in the Statement Of Assurance on Corporate Governance and Internal Control.

Regulation 4 of the Accounts and Audit Regulations 2003 required Local Authorities to conduct a review at least once a year of the effectiveness of its system of internal control. It also had to publish a statement on internal control each year with the authority's financial statements.

The report set out the review of internal control and assurance gathering process as required by the statute and accompanying guidance. It recommended that the Chief Executive, the Deputy Chief Executive and Director of Finance, and the Leader of the Council sign the Statement of Assurance on Corporate Governance and Internal Control Systems.

RESOLVED – that the Audit Committee's Annual Report to Council 2006-07 be approved.

6. DRAFT STATEMENT OF ASSURANCE ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Chief Auditor reported on arrangements to ensure that the Council's business was conducted in accordance with the law and proper standards. Also that public money and assets were safeguarded, properly accounted for, and used economically, efficiently, and effectively. The report also detailed the system of internal control facilitating the effective exercise of the Council's functions, including arrangements for the management of risk.

RESOLVED – that: -

- (1) the Statement Of Assurance on Corporate Governance and Internal Control 2006-07 be approved;**
- (2) the Leader, Chief Executive, and Deputy Chief Executive sign the Statement Of Assurance on Corporate Governance and Internal Control; and**
- (3) the Statement Of Assurance on Corporate Governance and Internal Control is included in the Financial Statements as required by the Accounts and Audit Regulations 2003.**

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7. CASH COLLECTION – MISSING MONIES

The Deputy Chief Executive and Director of Corporate Resources submitted the report to Cabinet on 11 June informing members of missing monies collected from on and off-street parking machines and actions being taken to recover them. The resolution of Cabinet was also submitted.

RESOLVED – that the report of the Chief Executive on the independent external review into the Council’s dealings with ESSL and internal control mechanisms be submitted to this Committee prior to submission to Cabinet.

(The Chair declared the meeting closed at 7.00 pm)