

**AUDIT COMMITTEE  
30 JUNE 2008**

Present: Councillors Chowney (in the Chair), Pragnell, Silverson and Stevens.  
Apologies for absence were received from Councillor Springthorpe.

**1. MINUTES**

**RESOLVED** – that the minutes of the meeting held on 18 March 2008 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. PKF 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 2008 / 09. Robert Grant of PKF was in attendance at the meeting. He presented his report and answered questions from members.

**RESOLVED** (unanimously) – that the external auditor's audit and inspection plan for 2008 / 09 be approved.

**4. DRAFT AUDIT COMMITTEE 2007 – 08 REPORT TO COUNCIL**

The Chief Auditor presented a report on the annual review of the Council's effectiveness of Internal Audit.

Regulations 4 and 6 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 Local Code of Corporate Governance required the Chief Auditor to report annually to this Committee on the state of corporate governance within the Council.

The report set out details of the Council's arrangements in respect of its principal statutory obligations, organisational objectives and priorities, performance management systems, identifying principal risks and controls for managing risks. The report included details of sources of assurance in respect of controls over key risks and the work of the Audit and Investigations Division and external audit. Appended to the report was an action plan to improve compliance with the CIPFA Code of Audit Practice.

During consideration of the report Members made comments on the content of the report, including the need for targets to be included in the action plan. The Chief Auditor agreed to incorporate these changes to the report before it was submitted to the Council.

**RESOLVED** (unanimously) – that the Audit Committee's Annual Report to Council 2007-08 be approved subject to the minor amendments discussed.

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**5. DRAFT ANNUAL GOVERNANCE STATEMENT**

The Chief Auditor reported on the requirement for the reporting of an Annual Governance Statement (AGS) for 2007/08. The purpose of the report was to provide assurance that the Council's governance framework was adequate and effective. The AGS for 2007-2008 was appended to the report.

**RESOLVED** – that subject to any changes as a result of consideration of the report on the review of lost income later in this meeting: -

- (1) the Annual Governance Statement 2007-08 be approved;**
- (2) the Leader and the Chief Executive sign the Annual Governance Statement; and**
- (3) the Annual Governance Statement is included in the Financial Statements as required by the Accounts and Audit Regulations 2003.**

**6. REVIEW OF LOST INCOME**

The Chief Executive submitted a report on the latest position in respect of lost parking monies. Pannell, Kerr, Forster, the Council's external auditor, had been appointed to undertake a review of the Council's dealings with Estate Security South Ltd.

The External Auditor's report was appended together with an action plan. The recommendations to the report were fully accepted and were being implemented. These would help improve process, assist contract monitoring and supervision, and reduce risk.

**RESOLVED** – that: -

- (1) the agreement of officers to the recommendations in the report of the external auditor and the action plan be noted;**
- (2) the Committee expressed its concern regarding the content of the external auditors report, and its full endorsement of the recommendations and action plan set out in his report;**
- (3) the Chief Executive be directed to report back to the Committee in six month's time on the implementation of the action plan and recommendations;**
- (4) dismay be expressed about the apparent lack of progress in a police investigation;**
- (5) an immediate review of contracts, with a value in excess of £50,000 and those of a lower value but having a significant financial impact, be ordered to ensure risk management arrangements are satisfactory and to report back to the Committee on the results of this review; and**
- (6) an immediate overall review of risk management and contract compliance procedures be undertaken and the outcome reported back to Committee.**

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**7. FINAL ACCOUNTS 2007 - 08**

The Deputy Chief Executive and Director of Corporate Resources submitted a report setting out the final accounts position for 2007-08. The Committee was 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 2007-08 were complete but subject to examination by the District Auditor.

**RESOLVED (unanimously) – that: -**

- (1) the draft Statement of Accounts be approved and a copy signed by the Chair of the Audit Committee in accordance with the Accounts & Audit Regulations 2003;**
- (2) the outturn position on the General Fund for 2007-08 be reviewed; and**
- (3) the 2007/08 outturn position, along with the revised estimates for 2008/09 be taken into account when preparing the 2009/10 detailed revenue estimates.**

(Councillor Webb left the meeting during consideration of this matter when the Foreshore Trust was mentioned)

(The Chair declared the meeting closed at 8.29 pm)