

**AUDIT COMMITTEE
28 JUNE 2010**

Present: Councillors Birch, Hodges, Westley and Wilson (in the Chair).

Apologies for lateness were received from Councillor Stevens. (Councillor Stevens had submitted his apologies for lateness, prior to the meeting, but was unable to attend the meeting.

1. MINUTES

RESOLVED – that the minutes of the meeting held on 22 March 2010 be approved and signed by the Chair as a true record.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

3. AUDIT COMMITTEE 2009-10 REPORT TO COUNCIL

The Chief Auditor presented his report from Audit Committee to Council to inform the Audit Committee on the annual review of effectiveness of Internal Audit.

Members sought clarification on the report.

RESOLVED – that the contents of the report be approved.

4. ANNUAL GOVERNANCE STATEMENT 2009/10

The Chief Auditor presented his report on the Annual Governance Statement 2009/10 in accordance with the Accounts and Audit Regulations 2003. The purpose of the report was to provide assurance that the Council's governance framework was adequate and effective. The Annual Governance Statement for 2009-10 was appended to the report.

The Committee was asked to recommend that the Leader and the Chief Executive sign the Annual Governance Statement 2009/10 on behalf of the Council in accordance with the Accounts and Audit Regulations 2003.

Members requested a small wording amendment to paragraph 25 of the report. The Chief Auditor agreed to amend the statement.

RESOLVED that subject to the minor amendment requested:–

- (1) the Audit Committee recommends that the Leader and the Chief Executive sign the Annual Governance Statement;**

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- (2) the Annual Governance Statement is included in the financial Statements as required by the Accounts and Audit Regulations 2003.**

5. FINAL ACCOUNTS 2009-10

The Deputy Chief Executive and Director of Corporate Resources submitted a report setting out the final accounts position for 2009-10. The Committee was asked to approve the Statement of Accounts on behalf of the Council in accordance with the Accounts & Audit Regulations 2003. Appended to the full report was the Statement of Accounts 2009-10.

The Head of Financial Services confirmed the outturn was close to the revised estimate. Overall a good performance had been achieved.

Members discussed areas of the financial accounts in detail including; reserves, note 8 to the core financial statements on employee remuneration and pensions. It was agreed that a separate briefing session to members on pensions would be useful.

RESOLVED 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 Committee note the outturn position on the General Fund for 2009-10;**
- (3) the 2009-10 outturn position, along with the revised estimates for 2010-11 is taken into account when preparing the 2011-12 detailed revenue estimates;**
- (4) that the Audit Committee recommend to Cabinet that the carry forwards be agreed.**

6. ANNUAL TREASURY MANAGEMENT REPORT 2009-10

The Head of Financial Services presented his report on the Treasury Management activities and performance during the last financial year to provide the Audit Committee with the opportunity to scrutinise the report before its submission to the Council.

The Head of Financial Services circulated a list of Hastings Borough Council Lending Institutions for the Audit Committee to view. He informed the Committee of a minor amendment to the report.

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RESOLVED – that the report be noted.

7. COMPREHENSIVE AREA ASSESSMENT

The Chief Auditor presented a report regarding the ending of Comprehensive Area Assessment (CAA) and its implications for the council.

Members wanted to know more detailed information from External Audit to support the fees being charged for CAA inspection work. An analysis of work performed against plan would have been useful. The Chief Auditor agreed to contact External Audit to request this information.

Members requested an amendment to the recommendation. The Chief Auditor agreed to amend the recommendation as set out in the resolution below.

RESOLVED – that the contents of the report be noted and that the Chief Auditor requests the External Auditor provide details of the work already expended on use of the resources assessment.

8. CHIEF AUDITOR'S SUMMARY AUDIT AND RISK REPORT

The Chief Auditor presented a report regarding the recent Income Systems audit.

Councillor Birch requested a follow up report on the status of implementation of accepted recommendations to be presented to the Audit Committee in September 2010.

RESOLVED – that the Audit Committee note the report.

(The Chair declared the meeting closed at 7.32 pm)