

**AUDIT COMMITTEE
11 APRIL 2013**

Present: Councillors Birch, Corello, Poole and Pragnell (Chair).

Apologies for absence were received from Councillor Cartwright.

21. DECLARATIONS OF INTEREST

The following Councillors declared their interests in the minutes indicated: -

Councillor	Minute	Interest
Pragnell	23 – External Auditor's Report on Grant Claim and Returns Certification for the year ended 31 March 2012	Personal – An employee of the DWP (Child Support Agency)

22. MINUTES

RESOLVED – (unanimously) that the minutes of the meeting held on 16 January 2013 be approved and signed by the Chair as a true record.

23. EXTERNAL AUDITOR'S REPORT ON GRANT CLAIM AND RETURNS CERTIFICATION FOR THE YEAR ENDED 31 MARCH 2012

The Head of Finance introduced this report summarising the matters arising from the certification of grant claims and other government returns for the period ended 31 March 2012. External Audit also report the amount of fees incurred by the Council for the audit of such claims and returns.

The report was presented in compliance with the requirements of the Audit Commission to present an annual report to those charged with governance on the results of their certification of work.

Robert Grant, PKF partner, presented the report and explained the minor qualification on the Housing and council tax benefit subsidy claim. The National non-domestic rates return was completed satisfactorily.

Members sought clarification from Robert Grant in relation to the value of the incorrect payments and the testing procedures and were assured that the majority of claimants are paid correctly and that the impact of the amendments made was just £1,019 out of £64,395,125 paid. All the errors have now been corrected and claimants remedied.

**AUDIT COMMITTEE
11 APRIL 2013**

RESOLVED – (unanimously) that the Audit Committee receive and note the External Auditor’s Report on Grant Claim and Returns Certification for the year ended 31 March 2012.

24. PKF AUDIT PLAN 2012/13

The Chief Auditor introduced his report required by Auditing Standards to communicate relevant matters relating to audit to those charged with governance. The PKF report identifies the key areas that will be reviewed by the Council’s external auditors.

The External Audit Annual Audit Plan 2012/13 was appended to the report.

Robert Grant, PKF partner, presented the report. He informed the committee that PKF had merged with BDO and confirmed the team will remain the same. He stated that a detailed risk assessment had been undertaken of the financial statement and the use of resources for securing value for money. As such, a new risk had been identified concerning the potential liability to repay amounts to Municipal Mutual Insurance under its scheme of arrangement. A reserve has been created following advices received.

As reported previously at the January Audit Committee meeting and now following a risk assessment, it was again confirmed that the audit fees will reduce by 40% in 2013-14 as a result of the audit procurement.

Members asked questions of Robert Grant.

RESOLVED – (unanimously) that the Audit Committee receive and note the External Auditors Audit Plan.

25. INTERNAL AUDIT PLAN 2013/14

The Chief Auditor presented the internal audit plan 2013/14 for approval.

The prediction that there could be a loss of ‘corporate knowledge’ was clarified. Members were assured that there would be no change or detriment to council records.

The rationale and outline scope was provided in the report for each audit assignment.

Members asked questions of the Chief Auditor and the Head of Finance.

RESOLVED – (unanimously) that that the Audit Committee approves the plan.

**AUDIT COMMITTEE
11 APRIL 2013**

26. NEW PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The Chief Auditor presented his report on the new changes that are being introduced with effect from 1 April 2013 in relation to public sector internal audit standards and that a report detailing the full impact of these will be submitted to the committee on 27th June 2013.

RESOLVED – (unanimously) that that the Audit Committee notes the report.

(The Chair declared the meeting closed at 6.39pm)