

## AUDIT COMMITTEE

Thursday, 26th August, 2004 at 6.00 p.m.

### PRESENT:-

Councillor Burston (Chairman)  
Councillors Attwood, Crumpton, J Davies, Mrs Jordon, Kettle and Taylor,  
together with the Director of Finance, Assistant Director Legal and  
Democratic Services, Head of Audit Services, Mr R Clarke and  
Mr S Potter (Audit Managers), Mrs J Uff (Senior Accountant) and Mr J  
Jablonski (Directorate of Law and Property).

### ALSO IN ATTENDANCE

Mr J Elsby – Audit Manager (Audit Commission – External Auditors)

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1 MINUTES

#### RESOLVED

That the minutes of the meeting of the Committee held on 1st  
April, 2004, be approved as a correct record and signed.

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2 DECLARATION OF INTEREST

Councillor Burston declared a personal interest in relation to any matter  
considered at this meeting relating to his employment by Centro.

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3 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Mrs  
Collins and Ms Nicholls.

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4 ADJOURNMENT

At this juncture there was an adjournment during which presentations  
were given by the Director of Finance, Head of Audit Services and Mr  
Elsby (External Auditor) on the rules and responsibilities of the Audit  
Committee, the purpose, organisation, operation of internal audit and on  
the role of the external auditors respectively.

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5 EXTERNAL AUDITOR'S PLAN FOR 2004/05

A report of the Director of Finance was submitted on the Audit Plan for 2004/05 produced by the Authority's external auditors.

Mr James Elsby, Audit Manager, External Auditors, introduced and expanded on the content of the Audit Plan that had been produced.

RESOLVED

That the information contained in the report and in the external auditors plan for 2004/05 attached to the report, submitted be noted and endorsed.

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#### INTERNAL AUDIT SERVICES 2003/04

A report of the Director of Finance was submitted on an overview of the performance of Internal Audit Services in the year to 31st March, 2004, and to inform the Committee of the Head of Internal Audit's opinion on the effectiveness of the Council's system of internal control.

Richard Harris, Head of Audit Services, commented on and responded to questions asked by members on the content of the report, and appendices to the report, submitted with particular reference to new developments relating to the periodic review of the performance of the Council by the Audit Commission, known as Comprehensive Performance Assessment, the result of which was that Internal Audit was given the top four \* rating by the Audit Commission and the recommendation by the Chartered Institute of Public Finance and Accountancy that the Head of Internal Audit's annual report should present an opinion on the overall adequacy and effectiveness of the organisation's internal control environment. That opinion was set out at Appendix A to the report submitted.

Arising from the introduction and initial comments made on the report, and appendices to the report, submitted, members commented in particular on the high number of unimplemented recommendations in respect of education – schools and on the possible undertaking of an Risk Management Exercise based on a small number of case scenarios in respect of those unimplemented recommendations.

RESOLVED

- (1) That the information contained in the report, and appendices to the report, submitted on the performance of Internal Audit Services in 2003/2004 be noted together with the opinion of the Head of Internal Audit on the effectiveness of the Council's system of Internal Control set out at Appendix A of the report.

- (2) That the Director of Finance be requested to submit a report to the next meeting of this Committee on the high risk findings contained within the number of unimplemented recommendations in respect of education – schools referred to in Table 1 of the report submitted and ask the Director of Education and Lifelong Learning to arrange for an appropriate member of his staff to be present at that meeting to answer questions on this matter.

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#### STATEMENT OF ACCOUNTS 2003/04

A report of the Director of Finance was submitted presenting the statement of accounts to the Committee for approval and informing them of the progress of the audit of the accounts.

The statement of accounts were attached as Appendix E to the report submitted and was preceded by summaries, Appendices A to D setting out the main features.

The Director of Finance in introducing the report commented upon a number of significant points and responded to questions asked.

Reference was made in particular to the requirement from 2004 onwards that a Statement on Internal Control to be approved by members and then signed by the Leader of the Council and the Chief Executive, is published with the Statement of Accounts. The Statement on Internal Control was included with the statement of accounts.

#### RESOLVED

- (1) That approval be given to the Statement of Accounts for the financial year 2003/04 and that the Chairman sign and date the accounts.
- (2) That the Statement on Internal Control, included with the Statement of Accounts, be approved.

The meeting ended at 8.30 pm.

CHAIRMAN