

REPORT OF AUDIT COMMITTEE

GENERAL REPORT

1. This report summarises briefly the items considered and decisions taken by the Audit Committee at its meeting on 30 September 2010.

Statement of Account for 2009/10

2. The Committee considered a report of the Director of Transformation seeking our approval of the Audited Statement of Accounts for 2009/10, following the Committee's initial endorsement at its meeting on 30 June 2010.
3. Only a few minor adjustments and corrections have been made to the Accounts at the instigation of the Audit Commission, none of which will affect the level of reserves and balances available to the Council.
4. We commended the Director and his staff in the production of the Statement of Accounts for the past financial year ahead of the target date, and approve the accounts for signature by myself, the Executive Leader and the Director of Transformation.

Annual Governance Report for 2009/10

5. The Committee received the Audit Commission's Annual Governance Report which summarised the Commission's substantially complete audit of the Council's 2009/10 Statement of Accounts and the authority's value for money arrangements.
6. The issues identified by the Commission during its audit of the Accounts relate mainly to classification issues and disclosure notes. A number of minor alterations and corrections to the Accounts have been suggested by the auditors, none of which impact on the overall financial position of the Council.
7. The Audit Commission is also required to assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Whilst the auditors are now no longer allowed to issue a "value for money" scoring, the Audit Commission commended the authority's continued strong performance in this field in that significant efficiencies have been achieved alongside increases in customer satisfaction scores.
8. We acknowledged the Commission's reference to the challenges facing the Council, and the public sector as a whole, in the light of the comprehensive spending review.
9. In conclusion, the Audit Commission's report indicated its expectation to issue both an unqualified opinion on its audit of the Council's Statement of Accounts for 2009/10 and an unqualified conclusion on the authority's value for money arrangements.
10. We welcomed the Governance Report for 2009/10 and approved the letter of management representation, which confirms the validity of information supplied to the Auditors, for signature by myself and the Director of Transformation.

National Fraud Initiative

11. The Committee was presented with a report of the Head of Shared Assurance Services which demonstrates the authority's compliance with and effective contribution to the 2008/09 National Fraud Initiative (NFI).

12. The NFI is being co-ordinated by the Audit Commission as a mechanism to assist the detection of fraud, overpayments and arrears. Over 1300 public and private organisations are participating in the initiative, which compares and matches relevant data within and between organisations within a robust legal framework.
13. The report is supported by a Members' Briefing note which provides an overview and examples of the key aspects of the initiative, together with a checklist developed and compiled by the Internal Audit Section to help Members understand and assess the Council's approach to NFI.
14. We appreciate that the detection of any fraudulent practices occurs only rarely, but we asked that Members' be advised that the initiative will encompass Councillors' data.

Internal Audit Plan for 2010/11 – Interim Report

15. The Committee received and noted the Head of Shared Assurance Services' interim report on the progress of the work undertaken in respect of the 2010/11 Annual Audit Plan up to 31 July 2010.
16. Appendices to the report provide both a general summary of the overall progress made in relation to the Internal Audit Plan, and a more detailed analysis of the projects undertaken to date. A separate appendix gives information on the performance of the Internal Audit Section during the same period, and confirms the action required in instances where targets have not been met.
17. The report also refers to the potential impact on the Internal Audit function of the Coalition Government's recent announcements to abolish Comprehensive Area Assessments (CAA), Use of Resources assessments and the Audit Commission from 2012.

Recommendation

18. The Council is recommended to note this report.

COUNCILLOR ANTHONY GEE
Chair of Audit Committee

There are no background papers to this report.

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