

Audit Committee

Minutes of a Meeting of the Audit Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **27th September 2012**

Present:

Cllr. Clokie (Chairman);

Cllrs. Smith, Taylor

Apologies:

Cllrs. Link, Michael, Wright, Yeo

Andy Mack – Audit Commission

Also Present:

Deputy Chief Executive, Head of Internal Audit Partnership, Audit Partnership Manager, Finance Manager, Principal Accountant, Policy & Performance Officer, Senior Auditor, Auditor, Senior Member Services & Scrutiny Support Officer.

Debbie Moorhouse, Daniel Woodcock – Audit Commission.

146 Declarations of Interest

Councillor	Interest	Minute No.
Smith	Voluntarily announced an 'Other Interest' as he drew and received added years for a Local Government Pension	149

147 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 25th June 2012 be approved and confirmed as a correct record.

148 2011/12 Annual Governance Statement (Updated Including Supplementary Statement on Financial Management Arrangements)

The report elaborated on the current contents of the Annual Governance Statement agreed by this Committee in June, specifically in relation to the role of the Chief Finance Officer in the wider governance of finance issues.

It was confirmed that the Statement was a snapshot of the position at the end of 2011/12. There had obviously been other developments since it had originally been published and they would be reflected in next year's Statement. These particular updates had been made in response to points raised by the Council's External Auditors.

Resolved:

That the updated Annual Governance Statement be approved.

149 Statement of Accounts 2011/12 and the District Auditor's Annual Governance Report

The report presented the 2011/12 Statement of Accounts for approval. The District Auditor's report was also appended and the External Auditors were present at the meeting to take questions. The audit had identified a few minor presentational errors as detailed in the report. The District Auditor had issued an unqualified opinion on the accounts. Once approved, the accounts would be published with an accompanying simple summary of the key facts and outcomes for the year.

The Finance Manager introduced the report and explained that the audit of the accounts had now been completed by the External Auditors. Officers had been pleased with how the audit had gone and he outlined one change that had been made to the Statement in relation to Municipal Mutual Insurance.

Debbie Moorhouse introduced the Audit Commission's Annual Governance Report and updated that all of the work necessary to issue their assurance statement had now been completed and she could formally confirm that their opinion remained as 'unqualified' on both the Statement of Accounts and Value for Money conclusion. The ongoing improvement in the process had continued this year in terms of assistance from Officers and the quality of the working papers and she hoped that those good working relationships would continue in the future.

In response to a question about misstatements and corrected errors, the Finance Manager explained that this was where certain figures may have needed to be adjusted into different columns, but it had not affected the bottom line figures on the balance sheet. It was often a question of a difference of interpreting definitions between Officers and the External Auditors.

There was some concern about the difficulty of getting certain Members to return their Related Party Transaction Forms. This was something that seemed to happen every year and the point had really been laboured by Officers. Perhaps there should be further discussions about how to ensure this happened in the future.

Members were keen to praise Officers as the standard of presentation of the accounts had risen steadily over the last three years and this year was no exception. Credit should go to all involved.

Resolved:

- That**
- (i) the District Auditor's Annual Governance Report be received and noted.**
 - (ii) the basis upon which the accounts have been prepared (Going Concern) be agreed.**
 - (iii) the audited 2011/12 Statement of Accounts be approved.**
 - (iv) the Chairman of the Committee sign and date the accounts as required by Section 10(3) of the Accounts and Audit Regulations 2003 as approved by the Council.**
 - (v) the Chief Financial Officer's Letter of Representation to the District Auditor be approved.**

150 Strategic Risk Register – Management Action Plans

The report set out the draft Strategic Risk Register and the Action Plans which had been completed by the respective 'risk owners'. The Committee was asked to note the Action Plans and confirm that it was satisfied with the actions that were being taken to manage the Council's strategic risks. The Chairman directed Members' attention to the Addendum Paper which included two minor amendments to the report.

The Portfolio Holder said he was a lot more comfortable about the risk management situation than he was a year ago. The Council appeared to be much more aware of risks and he was pleased that a structure had been put in place to monitor these regularly.

The Committee considered the report and the following comments were made: -

- The 'bedroom tax' was a Government policy that would come into effect on the 1st April 2013. It would mean all Housing Authorities, including this Council, would have to more closely consider under occupation in tenancies under registered social housing.
- There was lots of work going on across the Authority on workforce and succession planning and the development of some of that would be seen by Members very soon.

- The risks around Localism and not taking the Localism Agenda forward as a Local Authority were interesting. It would be important to ensure that Parish Councils understood the full implications of some of the elements of Localism and that Central Government's intentions around Localism were clear and understood by all parties.
- There should be more information included within Risk 9 – Infrastructure. If the Risk Register was to mean anything it should be easy to understand for Members and Officers alike. Most action plans had provided detailed and sufficient information, but this Risk needed more elaboration around the implications of using Community Infrastructure Levy (CIL) to secure the facilities needed if the right funding was not available at the right time.

The Chairman thanked Officers for the report and looked forward to the next update in six months.

Resolved:

- That**
- (i) the strategic risk management action plans be received and noted.**
 - (ii) the Committee is satisfied with the action being taken to manage the Council's strategic risks.**
 - (iii) the risk score for Risk 6 should be amended from 4/2 to 3/2.**

151 Principles of Good Partnership Governance – Six Month Review

The review followed a report to the Committee in April which set out the principles of good governance that the Council would expect all key operational partnerships to generally adhere to. The need for the review was highlighted in the 2010/11 Annual Governance Statement and was carried over to the 2011/12 Statement. Assurance had been given that over 90% of the principles set out in the governance framework were being exhibited already by the partnerships, whilst none of the gaps identified were considered of immediate risk to the partnerships as a whole.

The Committee considered the report and the following comments were made: -

- There was concern about the Ashford Locality Board and the transparency of the meetings when no minutes and agendas were available for all Members to see. It was explained that the Ashford Locality Board was still in its infancy and had still not yet fully devised its forward programme of work and it was expected that when it had, accessibility to minutes etc would improve. It was very much a work in progress with ABC and KCC working together. It was accepted though that the Board was not compliant with that part of the framework at present. The Chairman considered it important that any

decisions being made on behalf of the Council at these types of meetings should come back to Members.

- The report was a work in progress and it was accepted that there were areas where further evidence was needed to justify some of the 'yes' responses.

Resolved:

That progress with the review of operational partnerships be noted.

152 Fraud – Follow up Report

The update report followed on from questions raised at the last meeting of the Committee and in subsequent discussions with some Members about the 'value for money' of the Council's fraud function. It also considered the options under consideration for the future given that Government had announced that a Single Fraud Investigation Service (SFIS) was being established in tandem with the introduction of Universal Credit and other welfare reforms.

The Chairman said it would be useful for the Committee to know what a SFIS might take on and what it was likely to achieve. The Deputy Chief Executive replied that it was difficult to tell at the moment. He would be happy to share the information the Council had received so far in terms of the Department for Work and Pensions' plans for the future, but that was limited and he was not sure anyone could answer those questions fully at this stage.

Resolved:

That the report be received and noted

153 Report Tracker and Future Meetings

The Chairman asked Committee Members to make a note of the dates of meetings for the next year and to make sure they were in diaries.

Post Meeting Note: These are confirmed as: - 4th December 2012; 5th March 2013; 24th June 2013; and 26th September 2013 - all at 7pm in the Council Chamber.

Resolved:

That the report be received and noted.

Queries concerning these Minutes? Please contact Danny Sheppard:
Telephone: 01233 330349 Email: danny.sheppard@ashford.gov.uk
Agendas, Reports and Minutes are available on: www.ashford.gov.uk/committees