

ACCOUNTS AND AUDIT COMMITTEE

21ST NOVEMBER 2012

PRESENT:

Councillor Whetton (In the Chair),
Councillors Baugh, Boyes, Brotherton, Mrs. Evans, Lally and Ross.

In attendance: Director of Finance (Mr. I. Duncan),
Principal Audit and Assurance Team Leader (Mr. J. Miller),
Technical Finance Manager (Mr. G. Bentley),
Insurance Officer (Mr. P. Edwards),
Democratic Services Officer (Mr. I. Cockill).

21. MINUTES

RESOLVED: That, subject to an amendment to Minute No. 17 so that the explanatory note reads "Adjustment to the Cash Flow Statement to reflect a misclassification of grant income", the Minutes of the meeting held on 26th September 2012, be approved as a correct record and signed by the Chairman.

22. AUDIT AND ASSURANCE REPORT FOR THE PERIOD JULY TO SEPTEMBER 2012

The Audit and Assurance Manager submitted a report summarising the work of Audit and Assurance during the period July to September 2012 and providing ongoing assurance to the Council on the adequacy of its control environment.

The Principal Audit and Assurance Team Leader responded to a question regarding school audit reports advising that final reports were issued to the Head Teacher, Chair of the Governing Body, Executive Member and a wide circulation of officers, however, there was an onus on the school to report the findings to its own Governing Body. With regard to the implementation of improvement actions, the Principal Audit and Assurance Team Leader also explained the follow-up action taken to secure acceptance of recommendations, indicating that particular emphasis was given to those with a fundamental control weakness.

RESOLVED: That the report be noted.

23. ANNUAL AUDIT LETTER 2011/12

The Committee received the External Auditor's Annual Audit Letter summarising the findings from the 2011/12 audit of the Council, broadly comprising the audit of financial statements and an assessment of arrangements to achieve value for money in the use of resources.

The Director of Finance advised that the Annual Audit Letter formalised the findings reported at the last meeting as part of the Annual Governance Report (Minute No. 15 of the meeting held on 26th September 2012 refers) and responded to a query concerning the verification of delivered budgeted savings.

RESOLVED: That the Committee notes the findings from the audit and

acknowledges the external auditor's comment that despite it being a challenging year, the Council has again met the challenges successfully.

24. ANTI-FRAUD AND CORRUPTION STRATEGY, POLICY AND SUPPORTING GUIDANCE

The Audit and Assurance Manager submitted a report advising that the Council's Anti-Fraud and Corruption Strategy, Policy and associated supporting documents had been revised. The updated documentation was attached to the report.

Acknowledging the arrangements to ensure that managers and staff are made aware of the revised documents, the Committee was eager to ensure that the Strategy was disseminated to all relevant personnel. Members also queried the frequency for notifying agency staff and the disciplinary procedure for staff where there is fraudulent activity in respect of public funds administered by the Council for which a police and criminal prosecution may be brought.

RESOLVED –

- (1) That the Anti-Fraud and Corruption Strategy be approved, subject to re-enforcement being given that employee fraud covers all the relationships an individual may have with the Council and, as such all cases will be referred for disciplinary investigation.
- (2) That the Committee notes that the guidance supporting the Strategy will be publicised across the Council.
- (3) That the Committee also notes that the Acting Corporate Director Transformation and Resources will investigate the feasibility of raising awareness of the Strategy through the e-learning pledge and also the means by which agency staff are informed.

25. TREASURY MANAGEMENT 2012/13 MID-YEAR PERFORMANCE REPORT

The Executive Member for Finance and the Acting Corporate Director Transformation and Resources submitted a joint report providing an update on the progress of the treasury management activities undertaken for the first half of 2012/13 and the Committee discussed the issues impacting upon operations.

RESOLVED –

- (1) That the Treasury Management activities undertaken in the first half of 2012/13 be noted.
- (2) That the exception to one prudential indicator relating to capital expenditure, as detailed in the report, be endorsed.

26. RESERVES AND PROVISIONS

The Acting Corporate Director Transformation and Resources submitted a report providing Members of the Committee with the background to the Council's

arrangements for the creation and use of provisions and reserves. The report also provided details of the Council's current reserves, estimated value at the end of 2012/13 and an estimate of future commitments.

RESOLVED: That the report be noted.

27. PRESENTATION ON THE COUNCIL'S INSURANCE ARRANGEMENTS

The Committee received a presentation from the Finance Manager and Insurance Officer providing an analysis of trends and costs associated with the Council's insurance function. The presentation outlined the Insurance Team's key areas of focus and its successes and advised on the timescale of a claim, the liability claim latency period and the risk mitigation process.

RESOLVED: That the officers be thanked for an excellent and informative presentation.

28. INSURANCE PERFORMANCE REPORT

The Acting Corporate Director Transformation and Resources submitted a report providing a summary of insurance performance for 2011/12 for all non-school activity. In particular, the report provided information on the level of activity in 2011/12 compared to recent years, covering, public liability claims including highway claims, employer liability claims and motor vehicle claims; the insurance budget and premium costs; and future issues and further planned work.

The Committee, questioning how proposed budget savings in Highway Maintenance would impact upon public liability highway claims, was advised that claims could be defended provided that repairs and inspections conformed to the Council's revised minimum policy requirements.

RESOLVED –

- (1) That the report be noted and that the statistics on repudiation rates that showed that a greater proportion of claims are being successfully defended, be welcomed.
- (2) That, for the purposes of monitoring, the Committee wishes to receive an annual report on insurance activity and performance.

29. ACCOUNTS AND AUDIT COMMITTEE – WORK PROGRAMME – 2012/13

The Audit and Assurance Manager submitted a report setting out the updated work plan for the Committee for the 2012/13 Municipal Year and outlining the areas to be considered at each of its meetings. Members' attention was drawn to the Benefit Fraud Investigation training and development which was to be conducted at the next meeting on 5th February 2013.

RESOLVED: That the 2012/13 work programme be noted.

The meeting commenced at 6.30 p.m. and finished at 8.37 p.m.