



## **Minutes of the Audit Committee**

**Wednesday, 18 January 2012**

**-: Present :-**

Councillor Hill (Chairman)

Councillors Addis, Bent, Brooksbank and Pentney

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### **491 Apologies**

An apology for absence was received from Councillor Stringer.

### **492 Minutes**

The Minutes of the meeting of the Audit Committee held on 20 September 2011 were confirmed as a correct record and signed by the Chairman.

### **493 Audit Progress Summary to 29 November 2011**

Members noted the summary report from the Audit Commission which set out reports that they have issued since the last meeting, such as their unqualified opinion on the 2010/11 accounts and unqualified value for money conclusion.

### **494 Annual Audit Letter**

Members noted a report which summarised the findings of the 2010/11 audit undertaken by the Audit Commission. Members were advised that the audit comprised two elements firstly the audit of the Council's financial statements and secondly the Audit Commission's assessment of the Council's arrangements to achieve value for money in its use of resources.

Members further noted that the Audit Commission had recently produced a report on the implementation of the International Financial Reporting Standards (IFRS), which had resulted in an increase in adjustments to the statement of accounts across the country a situation which was also reflected by Torbay Council.

### **495 Audit of System Controls and Financial Statements (including IFRS)**

The Audit Committee noted the report which advised Members of the Audit Commission's findings of:

- their review of the Council's key system controls;

- their audit of the financial statements and the Whole of Government Accounts return; and
- their work on the implementation and reporting of the Council's first time adoption of the IFRS.

Members paid particular attention and sought reassurance from officers that payroll reports which were recommended to be sent to department heads on a monthly basis were being sent. The Executive Head of Finance advised Members that they were not being sent on a monthly basis but were being sent quarterly a situation which the Audit Commission felt was reasonable.

#### **496 Protecting the Public Purse Checklist**

Alun Williams from the Audit Commission informed Members that the intention of the checklist was to enable those in charge of governance could satisfy themselves that they had in place policies and strategies to prevent fraud.

Members were advised that the greatest areas of fraud were housing benefits, abuse of the Council Tax single person discount and sub letting of council tenancies. Members requested the Head of the Devon Audit Partnership complete the checklist and report his findings at the next meeting of the Audit Committee on 28 March 2012.

#### **497 Head of Internal Audit's Six Month Internal Audit Progress Report 2011/2012**

Members noted a report which summarised the work undertaken by the Devon Audit Partnership (DAP) during the first six months of 2011/12. The DAP reviews the performance and effectiveness of the Internal Audit service and had been able to inform Members that overall the DAP were satisfied that there was reasonable assurance to the adequacy and effectiveness of the Authority's internal control environment.

Members were informed that in the first six months of 2011/12 54% of planned audits had commenced. Members paid particular attention to the issue of fraud and noted that work associated with the 2010/11 National Fraud Initiative exercise had continued throughout the first six months of 2011/12, with 808 high priority matches having been investigated. Members were of the view that more action should be taken when it came to highlighting the issue of fraud and suggested activities such as posting leaflets which provided real life examples may cause those who are thinking of committing fraud to think twice.

#### **498 Treasury Management Strategy 2012/13 (Incorporating the Annual Investment Strategy 2012/13 and the Annual Minimum Revenue Provision Statement)**

The Chairman advised that this item would be deferred until 25 January 2011.