

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT COUNTY HALL, CHELMSFORD ON 16 MARCH 2010

Membership

- | | |
|--------------------------|------------------------------------|
| * W J C Dick | * Mrs I Pummell |
| A M Hedley | * T C Smith-Hughes (Vice-Chairman) |
| * M C M Lager (Chairman) | |

(* present)

Councillor Mrs Tracey Chapman, Cabinet Member for Environment and Waste was also in attendance throughout the meeting.

The following officers were present in support throughout the meeting:

Nick Bell, Executive Director for Finance and Deputy Chief Executive
Cajetan Chukwulozie, Head of Internal Audit and Risk Management
Hannah Cleary, Governance Officer
Sarah Harris, Internal Audit Manager
Colin Ismay, Governance Manager
Joanna Killian, Chief Executive of Essex County Council
Margaret Lee, Chief Financial Officer
Peter Tanton, Counter Fraud Manager
Philip Thomson, County Solicitor

Louise Wishart, Audit Manager and Rob Murray, District Auditor from the Audit Commission (External Auditors) were also present.

15. Apologies for Absence

Apologies for absence were received from Councillor A M Hedley.

16. Minutes

The minutes of the meeting held on 1 February 2010 were approved as a correct record and signed by the Chairman.

17. International Financial Reporting Standards (IFRS) and Action Plan

Rob Murray, District Auditor, introduced the report and drew attention to the action plan prepared by the Council.

The Audit Commission had published the report to emphasise the importance of implementing the new practices from 2011. The new standards would lead the Council to develop its work around leases and fixed assets. New accounting methods for Private Finance Initiatives (PFI) had already been introduced and increased the complexity for Local Authorities in this area.

Margaret Lee explained that the Council had a large number of Public Finance Initiative (PFI) projects, and specialist technical advice and support for this area

had already been sought from price waterhouse cooper accountants. Margaret added that this increased the burden on the Council over the account closure period, but she was confident that this would be managed effectively.

18. Certification of Claims and Returns 2008/09 Annual Report

Louise Wishart introduced the report and explained that the work formed part of the Use of Resources assessment. The Council obtained significant income from Grants and this report highlighted the findings for the 2008/09 financial year. Louise drew attention to the Council's action plan; specifically to teachers' pensions which needed to be addressed by a number of service areas, and the tracking of grants by the finance team, to ensure that deadlines were met.

Councillor Dick asked if the Learning and Skills Council and teachers grants action plan points had been completed, as the deadline was given as February 2010. Margaret Lee agreed to confirm this information at a future meeting.

Councillor Smith-Hughes enquired about the information contained on page 3 of the report that stated the Council had not been aware of a grant. Margaret Lee explained that the Council had been aware of the grant, but it had not been logged on the grant central register, held by the Corporate Finance Team. The issue had been discussed at a meeting of the Finance Leadership Team to ensure that all grants were logged on the central register in future. Louise Wishart added that the grant would be audited in due course.

19. Forward Look

The Committee considered and agreed report AC/09/10.

20. Date and Time of Next Meeting

The next scheduled meeting of the Committee is on Monday, 17 May 2010 at 10am in Committee Room 6.

21. Exclusion of the Public

To consider whether the public (including the press) should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972).

Resolved:

That the public (including the press) be excluded from the meeting during consideration of the following item on the grounds that it involves the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972: (Paragraph 3 relating to the financial and business affairs of another party).

Part II (Business taken in Private)

22. 2010/11 Internal Audit Plan

The Committee considered report AC/10/10 and the draft 2010/11 Internal Audit Plan produced by the Head of Internal Audit and Risk Management.

Resolved:

That the 2010/11 Internal Audit Plan be endorsed.

23. Governance Reports

The Committee considered report AC/11/10 by the Head of Internal Audit and Risk Management and the reports on the five issues highlighted.

During the discussion Councillor Pummell declared a personal interest.

Resolved:

That the action plan produced to respond to the issues raised in the Governance Reports be endorsed and regular reports on progress be made to the Committee.

24. National Fraud Initiative (NFI)

The Committee noted report AC/12/10 by the Head of Internal Audit and Risk Management and the final report produced by the Counter Fraud Team on the National Fraud Initiative Update 2009/10.

The Committee commented on the benefits of the NFI data matching exercise and the assistance given to other authorities by the Counter Fraud Team. Louise Wishart commented on the amount of effort the Council puts into the exercise.

Chairman
17 May 2010