

AUDIT COMMITTEE

30th September, 2011

PRESENT - Councillor Baldwin (in the Chair); Councillors Johnson and McEwan and Mr. J. Morton (4)

APOLOGIES –

ABSENT –

OFFICERS – Brian James, Head of Corporate Assurance, Peter Carrick, Financial Services Manager, Ian Miles, Head of ICT and Design and Print and Joanne Skelton, Acting Health and Safety Manager.

ALSO IN ATTENDANCE – Simon Clegg and Neil Austin, PricewaterhouseCoopers.

A12. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

A13. MINUTES – RESOLVED – That the Minutes of the meeting held on 11th July, 2011, having been circulated, be taken as read and approved as a correct record.

A14. CORPORATE HEALTH AND SAFETY REPORT – The Director of Resources submitted a report (previously circulated) advising Members of the performance on health and safety within the Authority together with both progress and future actions associated with the implementation of the Council's plans for health and safety management. It was reported that the Authority's pro-active approach to occupational health and safety had, over the years, proved to be effective, with a year on year reduction in accidents, lost time as a result of accidents and insurance claims across the Council.

Particular reference was made to two falls from heights which had been reported and the circumstances surrounding those two incidents, action which could be taken when employees refused to follow approved health and safety procedures and practices; and current proposals which were out for public consultation by the Health and Safety Executive in relation to its fees and charges.

RESOLVED – That the progress to date and the key planned actions for 2011/12, be noted.

A15. ICT STRATEGY – IMPLEMENTATION PROGRESS REPORT – The Head of ICT and Design and Print submitted a report (previously circulated) on the progress in relation to the implementation of the ICT Strategy. It was reported that the ICT Strategy focussed on five key programmes which included the delivery of a robust core architecture on which to deliver the service, the provision of flexible and efficient mobile and office based technologies, the implementation of a robust and secure information management process and systems, the management of a robust governance framework for ICT projects and investments and the advancement of standards and procedures within ICT with the aim of delivering excellent services. Details of the progress against the key activities within each of the five programmes was included in the submitted

report and particular references were made to the printer consolidation project, data cleansing and records management, and the current position in relation to obtaining the ISO9001 Quality Management standard for ICT Services.

RESOLVED – That the progress on the implementation of the ICT Strategy be noted.

A16. AUDIT OF ACCOUNTS 2010/11 – The Director of Resources submitted a report (previously circulated) providing Members with information on the outcome of the audit of the Council’s 2010/11 accounts and the Value for Money conclusion and seeking approval to conclude the accounts based on Officers recommendations, with regard to issues arising from the Audit.

As previously reported to this Audit Committee, the financial statements had been prepared for the first time in accordance with the statutory requirement for them to be IFRS compliant and reference was made to the level and quality of work undertaken by Officers to ensure compliance and the various reporting arrangements thereon to this Audit Committee.

The submitted report referred to a small number of unadjusted misstatements in the accounts and the reasons for those misstatements and it was reported that, following discussion with PWC, the Council’s external auditors, it was considered that none of the items were material individually, or collectively, in the context of the Statement of Accounts as a whole, and it was not proposed to adjust them in the accounts.

A copy of PWC’s report (also previously circulated) on the results of their audit on the 2010/11 account and their Value for Money conclusion was appended to the submitted report and Simon Clegg from PWC advised that the majority of the audit work on the Council’s accounts had been completed and that it was likely that an unqualified audit opinion would be issued.

RESOLVED – (a) That the Auditors ISA 260 report on the Council’s 2010/11 financial statements be noted.

(b) That the accounts be not adjusted in respect of the items listed in Appendix 1 of PWC’s submitted report.

(c) That the IFRS compliant Statement of Accounts for the 2010/11 financial year be approved.

A17. AUDIT OF XENTRALL – PROGRESS REPORT FROM STOCKTON BOROUGH COUNCIL’S INTERNAL AUDIT SECTION AGAINST THE AUDIT PLAN FOR 2011/12 – The Director of Resources submitted a report (previously circulated) together with a report (also previously circulated) of the Financial Planning and Audit Manager from Stockton Borough Council outlining the progress made against the 2011/12 Xentrall Audit Plan.

RESOLVED - That the progress report be noted.

A18. AUDIT SERVICES ANNUAL AUDIT PLAN 2011/12 – PROGRESS REPORT – The Head of Corporate Assurance submitted a report (previously circulated) outlining the progress made during the first five months of the year against the 2011/12 Annual Audit Plan.

It was reported that Audit Assignment work had resulted in substantial assurance opinions for the Corporate Income System, Car Parking, Civic Theatre Box Office, Stressholme Golf Course and one primary school and limited assurance opinions resulting from the audit reviews of Debit and Credit Card Processing, Civic Theatre Front of House and Stressholme Clubhouse, all of which had been positively responded to by management and action plans developed to deliver the required improvements. In relation to Audit Services' key performance indicators, the position was positive.

RESOLVED – That the progress report against the 2011/12 Annual Audit Plan be noted.

A19. RISK MANAGEMENT – PROGRESS REPORT 2011/12 – The Director of Resources submitted a report (previously circulated) updating Members on the approach to and outcomes from the Risk Management process.

It was reported that positive progress continued to be made within the Authority regarding the management of key strategic risks and with the work undertaken by the Corporate Risk Management Group to manage operational risk.

RESOLVED - That the report be noted.

A20. TREASURY MANAGEMENT BENCHMARKING – SECURITY, LIQUIDITY AND YIELD – The Director of Resources submitted a report (previously circulated) providing Members with details of outturn relating to the benchmarking of investments up to the end of August 2011 against the benchmarks set for 2011/12 for the Security, Liquidity and Yield of Investments.

RESOLVED – That the results of the Security, Liquidity and Yield benchmarking to date for 2011/12 be noted.