



## AUDIT COMMITTEE

4.30 p.m. - 6.35 p.m.

26 June 2008

Present: Councillors S Little(Chair), Brociek-Coulton, Divers, Driver, Collishaw, Makoff and Stephenson

Apologies: Councillor Waters

### 1. APPOINTMENT OF VICE-CHAIR

**RESOLVED** to appoint Councillor Driver as Vice Chair for the new Civic year.

### 2. MINUTES

**RESOLVED** to agree the accuracy of the minutes of the meeting held on 19 March 2008.

### 3. ANNUAL REPORT ON INTERNAL AUDIT 2007/08

The Acting Audit Manager presented his report and answered a number of questions about the audit work undertaken in 2007/08 and the effectiveness of the internal audit service. In reply to a question he said that on reflection the 5 day target for producing draft reports had been unrealistic. The target for other providers was in the region of 20 days or one month. He would include a revised target in the Audit Plan for 2008/09 which he hoped to bring to the next meeting.

Discussion took place on the reasons for the low level of audits completed in 2007/08. In reply to a question the Acting Audit Manager said that a number of options were being considered for the provision of additional resources to enable the Audit Plan to be completed.

The Committee also asked questions about the current position on the New Deal grant claims. The Head of Finance said that the audit costs fell to the City Council as Accountable Body. He would however investigate the possibility of recovering the costs from the NELM Charitable Trust.

**RESOLVED** to receive the annual report on Internal Audit.

#### **4. ANNUAL STATEMENT OF ACCOUNTS 2007/08**

The Head of Financial Services referred to continuing work on the Annual Statement of Accounts. In the circumstances he suggested that consideration of this item should be deferred to Monday by which time he hoped that the accounts would be finalised. In reply to a question the Head of Finance confirmed that he would be looking to ensure that the final accounts were ready at an earlier stage next year.

**RESOLVED** to re-convene the meeting at 5.00 p.m. on Monday 30 June 2008 to consider the Annual Statement of Accounts 2007/08.

#### **5. ANNUAL GOVERNANCE STATEMENT 2007/08**

The Acting Audit Manager presented the report and explained the background to the presentation of the Annual Governance Statement for 2007/08.

In reply to a question he said that the whistle blowing policy was to be updated so that the single policy covered both staff and the public.

The Chair referred to the section on internal audit and questioned whether the fact that not all recommendations were implemented was a weakness in the system. The Acting Audit Manager said that he would look to report progress in implementing recommendations to this Committee in the future. The Chair also expressed concerns about the level of resourcing in an internal audit. It was important to ensure that sufficient resources were available to deliver the Internal Audit Plan.

The Head of Finance then outlined the current position in respect of each of the recommendations contained in the Action Plan attached at Appendix 2 to the report. The Acting Audit Manager confirmed that the proposed actions arising from significant internal control issues from 2006/07 were now substantially complete.

**RESOLVED** to approve the Annual Governance Statement for 2007/08 and the Action Plans for improving various aspects of internal and financial control within the Council.

#### **6. 2008/09 AUDIT AND INSPECTION PLAN**

The Head of Finance referred to the Audit Commission Audit and Inspection Plan for 2008/09. He said that whilst generally happy with the Plan the additional NELM work could add some £40,000 - £50,000 to the audit fees. There might however be some scope for savings on audit fees as a result of the introduction of improved procedures which would assist external audit with their work.

**RESOLVED** to note the Audit Commission Audit and Inspection Plan for 2008/09.

#### **7. SUPPLEMENTARY AUDIT OPINION PLAN 2007/08**

The Committee considered the significant risks identified in the Audit Commission's Supplementary Audit Opinion Plan for 2007/08.

**RESOLVED** to note the position.

## **8. REVIEW OF NORWICH CONNECT PFI**

The Acting Audit Manager referred to the Audit Commission Review of Norwich Connect PFI. He said that the report had been considered by the Executive on 28 May 2008.

A member referred to paragraph 50 of the report which indicated that whilst the service provided to the general public was acceptable staff and Councillors were less satisfied with the IT arrangements. Another member referred to the Action Plan at the end of the report. This indicated that a report was to be prepared for Executive for June 2008 on the roles and responsibilities of Executive and Scrutiny members.

**RESOLVED** to ask the Executive to ensure that the Action Plan is implemented.

CHAIR