

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT COUNTY HALL, LLANDRINDOD WELLS ON MONDAY 27TH SEPTEMBER 2010

PRESENT: County Councillor Mrs S. C. Davies (**Chair**)

County Councillors Mrs D. Bailey, G. R. Banks, Mrs L. V. Corfield, A. W. Davies, D. Davies, Mrs E. R. Davies, L. R. E. Davies, Ms M. J. B. Davies, E. A. Jones, J. G. Morris and K Pathak.

Portfolio Holder in Attendance: County Councillor A. G. Thomas (Finance).

Officers in attendance:

Mr G. Petty (Strategic Director – Finance and Infrastructure), Mr S. Cameron (Accountancy Manager), Mr I. Halstead (Internal Audit Manager), Mr C. Leah (Principal Accountant) and Ms D. Richards (Principal Accountant).

Attending: Mr M. Jones and Mr J. Herniman (Wales Audit Office)

1.	APOLOGIES	A38-2010
-----------	------------------	-----------------

Apologies for absence were received from County Councillors Mrs D. G. Thomas, G. P Vaughan and A. M. C. Weale.

2.	MINUTES	A39-2010
-----------	----------------	-----------------

The Chair was authorised to sign the minutes of the previous meeting held on 30th June 2010 as a correct record subject.

3.	DECLARATIONS OF INTEREST	A40 - 2010
-----------	---------------------------------	-------------------

No declarations of interest were received.

4.	CORRESPONDENCE	A41 -2010
-----------	-----------------------	------------------

No correspondence had been received.

5.	WALES AUDIT OFFICE	A42 -2010
-----------	---------------------------	------------------

5.1 ISA 260 – Audit of Accounting Statements – Report to those charged with Governance.

Annual Accounts and Pension Fund Accounts

The Wales Audit Office presented the Audit of Accounting Statements – Report to those charged with Governance and explained that in respect of both sets of accounts an unqualified opinion would be issued subject to the approval of the accounts at Audit Committee. Both sets of accounts had no mis-statements, any recommended adjustments had been made and no material weaknesses identified.

The Portfolio Holder for Finance confirmed that the Pension Accounts had been considered by the Pension and Investment Committee that morning where they had been recommended for approval.

It was confirmed that there was no immediate problem with meeting the Pension Fund liability as it is calculated to be recovered over a 25 year period.

RESOLVED that	REASON FOR RECOMMENDATION
The report be noted	To comply with Statutory requirements

5.2 Approval of Letter of Representations.

Annual Accounts and Pension Fund Accounts

The letters of representations for both sets of accounts were approved.

RESOLVED that	REASON FOR RECOMMENDATION
The correspondence be approved and signed	To comply with Statutory requirements

5.3 Final 2009/10 Statement of Accounts for Reapproval

RESOLVED that	REASON FOR RECOMMENDATION
i) the Annual Accounts be re-approved and signed by the Chairman of the Audit Committee ii) the Statement of Internal Control be approved iii) the Pension Fund Accounts be re-approved and signed by the Chairman of the Audit Committee	To comply with statutory requirements

5.4 Grant Claims and Returns 2008-09

The Wales Audit Office presented a report on Grant Claims and Returns 2008-09 (copy filed with signed minutes).

It was confirmed that a small percentage of grant funding had not been accessed. This usually related to small grants with particularly onerous conditions including short timescales. The Welsh Local Government Association was lobbying the Welsh Assembly Government regarding the problems that the short timescales are presenting to Local Authorities.

6.	INTERNAL AUDIT	A43 - 2010
-----------	-----------------------	-------------------

The Internal Audit Manager presented reports on the Adverse Internal Audit Reports Quarter 1 2010/11 and the Internal Audit Tracker report (copy filed with signed minutes).

It was confirmed that no Internal Audit reports resulted in an adverse opinion in Quarter 1 2010/11.

On the Tracker report concern was expressed regarding the lack of progress in implementation of the Action Plan in respect of the Internal Audit of the Adult Services section who issue Grants to Voluntary Bodies. Grants to Voluntary Bodies had been audited in April 2007 and follow up audit undertaken shortly after that date. Concerns remained and the service had received a further audit in June 2010. The latest audit found that the previous findings had largely not been acted on.

RESOLVED that	REASON FOR RECOMMENDATION
The Head of Adult Care attend the next meeting of Audit Committee and provide an up to date action plan including completion dates.	To monitor implementation of the Action Plan

7.	TREASURY MANAGEMENT	A44 - 2010
-----------	----------------------------	-------------------

The Treasury Manager presented a report on the Treasury Management Review 2009/10 and the Treasury Management Quarterly Report (Copy filed with signed minutes).

It was confirmed that Treasury Management was considered at the Strategic Board, Corporate Governance and the Audit Committee.

It was confirmed that the process for reclaiming the investments from the Icelandic Banks was proceeding through the Icelandic courts with a number of test cases for United Kingdom local authorities funded jointly between the local authorities affected. CIPFA had confirmed the figures to be included in the accounts as provisions for the debt.

8.	NOTES FROM JOINT CHAIRS MEETING 3RD SEPTEMBER 2010	A45 - 2010
-----------	--	-------------------

The notes from the meeting held on 3RD September 2010 were received.

9.	AUDIT COMMITTEE WORK PROGRAMME	A46 - 2010
-----------	---------------------------------------	-------------------

The Forward Work Programme was received.

10.	ACCESS TO INFORMATION	A47 - 2010
------------	------------------------------	-------------------

RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under categories 2 and 7 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

11.	INTERNAL AUDIT	A48 - 2010
------------	-----------------------	-------------------

The Internal Audit Manager presented a verbal report outlining the fraud investigations which had taken place over the last 14 months. He explained that everyone had a responsibility with regard to fraud in a local authority including the Head of Finance, Internal Audit, Members, Officers and the Public.

It was confirmed that the Council had a Whistle Blowing Policy which had resulted in a number of investigations by the Council, and that once Internal Audit had issued an opinion it was important that the recommendations were acted on.

Internal Audit also play a role in the National Fraud Initiative which is an exercise where data is cross matched between local authorities, the Wales Audit Office and the Audit Commission. The last data matching in 2008-09 resulted in £124,000 of savings to the Council relating to benefit and Council Tax overpayments. The next exercise is planned for October 2010.

Over the last 14 months 12 fraud investigations had been undertaken which is more than has been the case in the past although overall Powys has a low level of fraud and corruption.

A number of investigations were as a result of whistle blowing whilst the remainder were picked up by the service. A number of the investigations have been completed and some remain ongoing. Some of the investigations have resulted in the Council needing to tighten its own procedures, some have resulted in a disciplinary hearing or dismissal and some have been referred to the Police.

It was confirmed that the Council was in the process of providing guidance for the auditing of the unofficial school fund which in some schools could contain a large amount of funds. This guidance would be copied to the School Governors.

Meeting closed 3.30pm.

**MRS S. C. DAVIES
CHAIR**