

# minutes



Meeting      AUDIT COMMITTEE

Date            12 September 2011 (commencing at 11.30 am)

## **membership**

Persons absent are marked with `A`

## **COUNCILLORS**

Sheila Place (Chair)  
Mike Quigley MBE (Vice-Chair)

A	Chris Barnfather	Carol Pepper
	Mrs Kay Cutts	Darrell Pulk
	Steve Garner	Ken Rigby
	Richard Jackson	Jason Zadrozny
	Eric Kerry	

## **OFFICERS IN ATTENDANCE**

Steve Bradley      -      Children's, Families and Cultural Services

Nick Alderman      )  
John Bailey          )      Environment and Resources Department  
Steve Bradley        )  
Paul Simpson        )

Keith Ford          -      Policy, Planning and Corporate Services

## **ALSO IN ATTENDANCE**

Mike Norman        -      Audit Commission

## **MINUTES**

The minutes of the last meeting of the Committee held on 26 July 2011, having been circulated, were confirmed and signed by the Chair.

## **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Chris Barnfather, who had urgent domestic business.

## **DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS**

No declarations of interests were made.

## **EXTERNAL AUDIT ANNUAL GOVERNANCE REPORTS**

Mike Norman introduced the report and highlighted the main issues within the Annual Governance Reports for Nottinghamshire County Council (NCC) and the Nottinghamshire County Pension Fund. The draft Letter of Representation from NCC to the District Auditor was circulated at the meeting.

Mr Norman clarified that the outstanding audit activity referred to on page 4 of the NCC report had now been completed and nothing new had emerged from that work to affect the unqualified opinion.

Members welcomed the financial resilience findings on page 9 of the NCC report and commended officers for their role in ensuring a strong financial management culture.

In response to a query from Members about the error detailed in Appendix 2 to the NCC report, it was clarified that the total value of the schools' grant funded expenditure (£0.9m) was equivalent to less than 1% of the Council's total capital expenditure in 2010/11 and that the actual error within that budget concerned a sum of approximately £40,000 (which therefore equated to an even smaller percentage).

### **RESOLVED 2011/040**

That the contents of the External Auditor's Annual Governance Reports on the NCC and Pension Fund accounts (including the unadjusted misstatements to the financial statements) and the Letter of Representation, be noted.

## **AUDIT COMMISSION – THE FUTURE OF LOCAL AUDIT - UPDATE**

John Bailey introduced the report and highlighted the key features of the procurement exercise to be carried out by the Audit Commission. In response to Members' queries, it was reported that there was currently a lack of clarity about how the new process would work in practice and the level of revenue savings which would be achieved.

### **RESOLVED 2011/041**

That the proposed changes in the process for appointing External Auditors for the 2012/13 accounts be noted.

## **UNSATISFACTORY FOLLOW UP AUDIT REPORT – NATIONAL WATER SPORTS CENTRE**

John Bailey introduced the report and highlighted that although some concerns remained, particularly around division of duties, significant progress had been made with the Centre.

Steve Bradley highlighted that the Centre was now part of the Children's, Families and Cultural Services Department and that accountancy colleagues from that

department had subsequently provided helpful input. With regard to the action plan, Mr Bradley reported that the audit recommendations regarding budget allocation and monitoring (1b & 1d) were now on track and would be further addressed as part of the Council's new Business Management System. With regard to the division of duties recommendation (2a), work was underway with audit and finance colleagues to introduce a new till system. Further consideration was needed about the recommendations about the safe system (5b and 5c), with the potential costs of purchasing a new safe needing to be balanced against the amounts involved and the existing 24 hour security arrangements on the site.

Members highlighted the need for a 'root and branch' review of operations at the Centre, in light of its increasing popularity, to ensure that processes and systems were robust and staff members were receiving appropriate support.

#### **RESOLVED 2011/042**

That the proposed actions to be taken to fully implement the outstanding audit recommendations be noted.

The meeting closed at 12.01 pm.

**CHAIR**