

Minutes of the Audit Committee

12th October, 2009, at 1.30 pm
at the Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Turner (Chair);
Councillor M Robinson (Vice-Chair);
Councillor Skinner.

Apologies: Councillor Spence and Mr Ager (Independent Member).

Observer: Councillor Ward.

41/09 **Minutes**

Resolved that the minutes of the meeting held on 6th July, 2009, be confirmed as a correct record.

42/09 **Audit Commission Annual Governance Report – Audit 2008/2009**

The Committee considered the Report to Those Charged with Governance, which the Authority had received at its meeting on 21st September 2009.

The report indicated that the Audit Commission had concluded that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31st March 2009. The Audit Commission had subsequently issued an unqualified audit opinion.

Members challenged the reference to errors in the financial statements regarding pension assets, to which the District Auditor responded. The Director of Finance and Procurement also responded indicating that the Authority would not be amending its accounts in respect of this.

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The Director of Finance and Procurement also informed members that the Authority's cash balance of £23m included earmarked reserves and capital schemes and that these were normally reflected separately.

The Committee placed on record its thanks for the hard efforts of the staff involved in this piece of work.

43/09 Responsibility for Preventing and Detecting Fraud - Proposed Response

The Committee noted the issues raised from the response to the Authority's external auditors in respect of their enquiry about the Audit Committee's involvement in the prevention and detection of fraud.

44/09 External Audit Evaluation – Proposed Responses

Further to Minute No. 37/09 (6th July 2009) the Committee received the proposed response from the Chair and Vice-Chair of this Committee to the external audit evaluation exercise.

Resolved that the Committee's response to the external audit evaluation exercise, as now submitted, be approved.

45/09 Internal Audit – Progress Report

The Committee noted a progress report on internal audit activity up to September 2009.

46/09 Revision of Internal Audit Plan 2009/2010

The Committee was informed that the Audit Commission had recommended in the Authority's Annual Governance Report that full annual audits of the key financial systems be undertaken, as opposed to biennial audits. In order to comply with this recommendation, the Authority's Internal Audit Plan had been revised and was now submitted for approval.

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It was not anticipated that the amendments would impact upon internal audit's ability to provide a year-end audit opinion on the overall adequacy and effectiveness of the internal control processes. However, should any work be required which was not planned, further amendment to the plan would be necessary, which would be agreed with the Director of Finance and Procurement and reported to Members as necessary.

The Committee noted that reference in the report to bi-annual should read 'biennial'.

Resolved that approval be given to the revisions to the Authority's Internal Audit Plan in order to comply with the recommendations contained in the Annual Governance Report.

47/09 International Financial Reporting Standards (IFRS) – Project Plan

The Committee was informed that, with effect from the financial year 2010/2011, local authorities would be required to prepare their financial statements under the Chartered Institute of Public Finance and Accountancy (CIPFA) International Financial Reporting Standards (IFRS).

The Committee noted the details of the anticipated impact that the move to IFRS would have on the Authority and, in particular, the increase in workload due to the volume and complexity of the standards. It was hoped that this would be accommodated within existing budgets.

48/09 Work Programme 2009/10

The Committee noted the work programme for the remainder of 2009/10.

49/09 Date and time of next meeting

The Committee noted that the Self Assessment exercise would take place on Monday 30th November 2009 and the next formal meeting of the Committee would be held on Monday 11th January 2009 at a time to be arranged.

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(The meeting ended at 2.54 pm)

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