

Minutes

Corporate Services and Partnerships
Policy Overview Committee
Tuesday, 13 September 2011
Meeting held at Committee Room 5 - Civic
Centre, High Street, Uxbridge UB8 1UW



	<p>Members Present: Councillors Richard Lewis (Chairman), Beulah East, Neil Fyfe, Raymond Graham, Shirley Harper-O'Neill, Richard Mills, Robin Sansarpuri and Michael White.</p> <p>Apologies: None.</p> <p>Officers: Helen Taylor (Head of Audit and Enforcement) and Khalid Ahmed (Democratic Services Manager).</p> <p>Witnesses Jonathan Gooding (Senior Audit Manager for the Council – Deloitte) and John Morley (Chairman of the Audit Committee)</p>
18.	<p>DECLARATIONS OF INTEREST</p> <p>Councillors Raymond Graham and Richard Lewis declared Personal Interests In Agenda Item 5 – First Major Review – Effectiveness of the Audit Committee and its Terms of Reference as they were both Members of the Audit Committee. They both remained in the room and took part in discussions.</p>
19.	<p>MINUTES OF THE MEETING HELD ON 21 JULY 2011</p> <p>Agreed as an accurate record.</p>
20.	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>It was agreed that all items of business were considered in public.</p>
21.	<p>FIRST MAJOR REVIEW – EFFECTIVENESS OF THE AUDIT COMMITTEE AND ITS TERMS OF REFERENCE – WITNESS SESSION</p> <p>On 21 July 2011, the Committee commenced its review into the effectiveness of the Audit Committee and its terms of reference.</p> <p>Members had been provided with documents which provided background information to the issues which would be covered in the review. These included, “Practical Guidance for Local Authorities” from CIPFA and the “Audit Committee Update No.5” which was issued by the CIPFA better governance</p>

	<p>forum.</p> <p>The Chairman of the Audit Committee, John Morley and Jonathan Gooding from Deloitte, the Council's External Auditors attended the meeting and provided Members with their views on the Audit Committee and its terms of reference.</p> <p>Chairman of the Audit Committee – John Morley</p> <ul style="list-style-type: none"> • Audit Committees in the public sector was a relatively new phenomena, although the NHS and Universities had had Audit Committees for considerably longer than local authorities • The membership of the Audit Committee should be larger and consideration should be given to the appointment of an additional Independent Member. This would balance up the Committee and would fit in with the proposals contained in the Department for Communities and Local Government consultation on the future of local public audit which included a proposal for an Independent Vice-Chairman • Reference was made to the recent problems with a meeting of the Audit Committee which would have been inquorate due to the absence of three Members. Increasing the membership, the number of substitute Members and making the quorum rules less restrictive would eradicate this problem • Reference was made to some sectors where Audit Committees had developed much further and Audit Committees looked at strategic risks. Hillingdon's Audit Committee did not get involved in detailed reviews of Council departments • Members of Audit Committees should preferably have a financial background which would help Members in their role on the Audit Committee. This should be extended to substitutes. • Training was given to substitute Members as well as to newly appointed Members of the Audit Committee and this should be continued • There should be continuity of service with the membership of the Audit Committee to ensure Members were sufficiently skilled to carry out their duties, particularly as local authority accounts were complex • The Audit Committee received a summary of Internal Audit reports as full reports would contain too much detail to enable Members to scrutinise effectively • Consideration could be given to providing more than a summary of Internal reports if requested by the Committee • The Audit Committee invited officers to their meetings 	<p>Action by:</p>
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	<p>if unsatisfactory levels of assurance were received for internal audits. This, however was not written into the Committee's Terms of Reference although officers always attended if asked to do so. It was agreed that a recommendation of the review could be adding to the Audit Committee's Terms of Reference, the invitation of officers to meetings to be questioned on unsatisfactory assurance levels received from Internal Audit</p> <ul style="list-style-type: none"> • Peer reviews were useful tools to assess the effectiveness of the Audit Committee and the Head of Audit at Southend on Sea Borough Council had carried one out on this authority's Audit Committee • A national forum of Chairmen of local authority Audit Committees could help in terms of networking and best practice • Consideration needed to be given to where the Audit Committee fitted into the Council's Committee structure and which Council decision making body scrutinised Audit Committee minutes • The Audit Committee met in private, both with the External Auditors and the Head of Audit and Enforcement which was good practice and should be written into the Committee's Terms of Reference <p>Senior Audit Manager for the Council (Deloitte) – Jonathan Gooding</p> <ul style="list-style-type: none"> • The External Auditor's partnership with the Audit Committee was effective and there was a good relationship • Deloitte was primarily responsible for auditing the Council's Statement of Accounts and considering whether the Council was delivering value for money. The Audit Committee reviewed the External Auditor's reports • The accounting process for local authorities was complex and different to the private sector and the NHS. Local authorities found it a challenge to appoint Independent Members with the knowledge of local government finance • The External Auditor reviewed the work of Internal Audit and used the work of Internal Audit to inform their audit and to assess where the risks were • The membership of Audit Committee of five members was low in comparison to other Audit Committees <p>Discussion took place on the issues raised and the evidence received and it was agreed that the views expressed be taken into consideration when the Committee developed the recommendations of the review.</p>	<p>Action By:</p>
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