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AUDIT AND RISK COMMITTEE

21 June 2010 – 6.00 pm

PRESENT:

Councillor Wainwright (in the Chair); Councillors Burroughs, Field, Hanton, Jermany, M Thompson, Marsden, B Walker, C Walker and Watts.

Mr S Duncan (Head of Financial Services), Mrs S King (Head of Internal Audit), Mr P Gollop (Corporate Risk Officer) and Mrs C Webb (Senior Member Services Officer).

Councillor Ames attended as an observer.

Apologies for absence had been received from Councillor Butcher.

1. MINUTES

The minutes of the meeting held on 31 March 2010 were confirmed.

2. MATTERS ARISING

(a) Internal Audit Recommendations Follow Up

With reference to minute number 8, "Internal Audit Recommendations Follow Up", the Chairman reported that the 2010/11 Work Plan included updates at each meeting of the current status of Internal Audit Recommendations. The Head of Financial Services reported that this information was covered under agenda item 10.

(b) Audit Committee Self Assessment Checklist

The Head of Financial Services reported that training for the Audit and Risk Committee had been scheduled to take place on 6 December 2010.

3. ANNUAL REPORT ON RISK MANAGEMENT ARRANGEMENTS 2009/10

The Corporate Risk Officer reported that the purpose of this report was to provide an annual report of key risk management developments across the Council over the last 12 months. This provided the Committee with a significant source of evidence to approve the Council's Annual Governance Statement.

The report would also help to inform the Committee's view of the adequacy of the Council's Risk Management arrangements and as such allow it to fulfil its responsibility outlined in its Terms of Reference.

The Corporate Risk Officer reported that the progress outlined demonstrated that the Council continued to improve upon its risk management arrangements and that this helped support the risk management evidence provided in the Annual Government Statement.

RESOLVED:

That the Committee note and approve the Annual Report on the Council's Risk Management Arrangements.

4. ANNUAL REPORT ON PARTNERSHIPS 2009/2010

The Corporate Risk Officer reported that the purpose of this report was to provide a progress report of key partnership management developments across the Council over the last 12 months. This information provided the Committee with a source of evidence to approve the Council's Annual Government Statement.

The Corporate Risk Officer reported that the progress outlined in the report demonstrated that the Council continued to improve upon its partnership management arrangements and that this helped support the partnership management evidence provided in the Annual Government Statement and for the use of resources.

The Corporate Risk Officer reported that the framework did not define the role of the Audit and Risk Committee but expected a partnership risk register and as such this needed to form part of the duties of the Audit and Risk Committee.

RESOLVED:

- (i) That the partnership framework be updated as per paragraph 4.1 and paragraph 7 of the Corporate Risk Officer's report.
- (ii) That the Committee endorse the report.

5. ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE 2009/10

The Head of Internal Audit reported that the annual report summarised the work of the Audit and Risk Committee during 2009/10 and confirmed that it had operated in accordance with its Terms of Reference and was compliant with the relevant Codes of Practice.

The report highlighted that the Committee had considered a wide range of reports from various parties including Internal Audit, External Audit and Senior Management as well as receiving focussed training in year and participating in self-assessment exercises aimed at examining the adequacy and effectiveness of the Committee's operational arrangements.

RESOLVED:

That the Committee note the report.

6. ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT 2009/10

The Head of Internal Audit reported that the Accounts and Audit (Amended) Regulations 2006 stated at paragraph 6(3), "that the relevant body shall at least once in each year conduct a review of the effectiveness of its system of internal audit".

Therefore, the report sought to confirm that proper arrangements had been made to comply with the statutory requirements and to present evidence to Members that the system of Internal Audit at Great Yarmouth Borough Council was effective. However, this year had marked a departure from previous arrangements, in so far, that a separate report had now been developed to enable a more detailed evaluation of the effectiveness of the system of Internal Audit to be undertaken, involving Members in this process.

RESOLVED:

That the Committee note the report.

7. ANNUAL REPORT ON INTERNAL AUDIT ACTIVITY 2009/10

The Head of Internal Audit reported that the report gave an update on internal audit activity between November 2009 and June 2010 and provided Members with details of the outcomes of individual review work undertaken since the last progress report was prepared and submitted in December 2009. Abridged management summaries covering those audits subsequently finalised and, furthermore, information was supplied as to the dates of which these projects were completed, the nature of assurance levels awarded, timeframes involved when producing audit reports, the extent to which audit recommendations had been agreed with management, together with details of post audit feedback indicating auditees views as to the quality of reviews carried out in their service areas.

It was also important to note that the Head of Internal Audit had subsequently used this body of work to formulate annual audit options in three key areas, standards of internal control, corporate government arrangements, and systems of risk management, which, in turn would assist the development of the Council's Annual Government Statement for 2009/10.

RESOLVED:

- (i) That the Committee receive and note the Annual Report of the Head of Internal Audit.
- (ii) That the Committee note that the overall standards of internal control were adequate during 2009/10.
- (iii) That the Committee note that an adequate assurance had been given in respect of Corporate Government and Risk Management Arrangements for the year ended 31 March 2010.
- (iv) That the Committee note that the opinions provided in respect of the overall standards of internal control and arrangements concerning Corporate Government and Risk Management, were reflected in the Council's Annual Government Statement for 2009/10, which was subsequently presented to the Audit and Risk Committee.

8. AUDIT REPORT ON THE RECEIPT HANDLING AND BANKING OF REMITTANCES

The Committee considered the report from the Head of Internal Audit on the receipt handling and banking of remittances, as this area had been assessed as high risk in the Annual Audit Needs Assessments for 2009/10 and had been identified for annual review.

RESOLVED:

That the Committee note the report.

(Confidential minute on this item)

9. STATEMENT OF ACCOUNTS 2009/10

The Head of Financial Services reported that the Accounts and Audit Regulations 2003 required that the Council's Statement of Accounts for 2009/10 be submitted to full Council for approval by 30 June 2010. The Statement of Accounts 2009/10 was a detailed financial document which served to summarise the financial performance of the Council for the year.

RESOLVED:

That the Committee approve the Statement of Accounts 2009/10, noting that the Statements would then be subject to audit.

10. ANNUAL GOVERNANCE STATEMENT

The Head of Financial Services reported that the document provided background on the Annual Governance Statement requirement for the financial year 2009/10 and details of a draft Annual Governance Statement for review by the Committee.

RESOLVED:

That the Committee note the contents of the report and approve the draft Annual Governance Statement.

11. CLOSURE OF MEETING

The meeting ended at 7.07 pm.