

AUDIT COMMITTEE

Wednesday 28 June 2006

PRESENT:

Councillor Savery, in the Chair.
Councillor Stevens, Vice-Chair.
Councillors Letcher, Simmonds (substitute for Councillor Wildy) and Stark.

Independent Members: Mr R Archer, Mr R Clarke and Mr D Fletcher.

Apology for absence: Councillor Wildy. AC 11 06/07

The meeting commenced at 10.00 am and concluded at 11.30 am.

1. DECLARATIONS OF INTEREST

There were no declarations of interest made by Members in accordance with the Code of Conduct.

2. MINUTES

Resolved that the minutes of the meeting of 27 March 2006 (AC 1 06/07) be confirmed and signed as a correct record.

3. CHAIR'S URGENT BUSINESS

There were no items of Chair's Urgent Business.

4. RISK MANAGEMENT - ANNUAL REPORT

The Director of Corporate Resources submitted a report (AC 2 06/07) summarising the work carried out during 2005/06 to develop the Council's approach to risk management.

Resolved that the Annual Report be noted.

5. STATEMENT ON INTERNAL CONTROL 2005/06

The Director for Corporate Resources submitted a report (AC 3 06/07) indicating that –

- (i) Regulation 4 of the Accounts and Audit Regulations 2003 required a Statement on Internal Control (SIC) to be published with the annual Statement of Accounts;
- (ii) the purpose of the SIC was to provide evidence of a continuous review of the Council's internal control and risk management processes, to provide assurance as to their effectiveness and to produce a management action plan to address any key weaknesses identified;
- (iii) the Accounts and Audit (Amendment) (England) Regulations 2006 have introduced a new requirement this year to include an annual review of the effectiveness of the internal audit system and this had now been incorporated into the SIC;
- (iv) the report outlined the process followed in order to produce the SIC for 2005/06 and recommended approval of the Statement prior to signature by the Leader, the Chief Executive and the Director of Corporate Resources;

- (v) the proposed Statement for 2005/06 was attached to the report.

Members considered the SIC, particularly in the context of the other papers presented to this Committee. Following discussion between Members and officers it was

Resolved that –

- (1) the processes adopted for the production of the 2005/06 Statement on Internal Control as required by the Accounts and Audit Regulations 2003 be noted;
- (2) the adequacy and effectiveness of the system of internal audit be endorsed;
- (3) the Statement prior to signature by the Leader, Chief Executive and Director of Corporate Resources be approved;
- (4) a review of the powers delegated to officers under the City Council Constitution be held.

6. AUDIT PROGRESS SUMMARY UP TO 19/06/06

The Audit Commission submitted a report (AC 4 06/07) on the Audit Progress Summary as at 19 June 2006.

Resolved that the report be noted.

7. AUDIT AND INSPECTION PLAN 2006-2007

The Audit Commission submitted a report (AC 5 06/07) on the Audit and Inspection Plan for Plymouth City Council for 2006/07.

Resolved that the report be noted.

8. OTHER REGULARITY ISSUES REPORT 2004-2005

The Audit Commission submitted a report (AC 6 06/07) on Other Regularity Issues for Plymouth City Council for 2004/05.

Resolved that the report be noted.

9. HOUSING AND COUNCIL TAX BENEFIT ANTI-FRAUD STRATEGY AND GUIDELINES FOR CONSIDERING CASES FOR PROSECUTION, ADMINISTRATIVE PENALTIES, FORMAL CAUTION OR NO FURTHER ACTION

The Director of Corporate Resources submitted a report (AC 7 06/07) advising Members of the reviewed Anti-Fraud Strategy and Guidelines for considering cases for Prosecution, Administrative Penalty or Formal Caution to secure the Benefits system.

Resolved that -

- (1) the reviewed Housing and Council Tax Benefit Anti-Fraud Strategy be approved;
- (2) the revised Sanction Guidelines for considering cases for Prosecution, Administrative Penalty or Formal Caution be approved;
- (3) the Committee be supplied with further updates and reviews on the progress of the Anti-Fraud Strategy.

10. **AUDIT COMMITTEE WORK PROGRAMME 2006/2007**

The Chief Auditor submitted a report (AC 8 06/07) on the Work Programme for 2006/07 for the Audit Committee.

Resolved that –

- (1) the report be noted;
- (2) the next meeting to commence at 3pm on 25 September 2006.

11. **EXCLUSION OF THE PRESS AND PUBLIC**

Resolved that, under Section 100(A) and (4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of confidential/exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government (Access to Information) Act 1985.

12. **INTERNAL AUDIT - ANNUAL REPORT 2005/2006**

The Director for Corporate Resources submitted a report (AC 9 06/07) on the Internal Audit's Annual Report for 2005/06.

Resolved that –

- (1) the report be noted;
- (2) the adequacy and effectiveness of Plymouth's system of internal audit for the year ended 31 March 2006 be endorsed;
- (3) the Internal Audit team be congratulated on all their hard work during 2005/06.