

AUDIT COMMITTEE

Minutes of the Meeting of the Committee held on **11 JUNE 2007** in the Board Room at Hounds Gate from 12.30pm to 13.40pm.

Present

Committee Members

Anne Dean	Tenant Member
Cllr. Michael Edwards	Co-opted Council Member (left at 1.00pm)
Peter Linford	Independent Member
Howard Morris	Council Member (Chair)
Margaret Pugsley	Tenant Member
Valerie Schneider	Tenant Member
Paul Rowe	Independent Member

Also in Attendance

Julie Hadfield	- Head of Finance
David Lewis	- Baker Tilly LLP
Janet Locker	- Governance Team Leader
Gary Moreton	- Baker Tilly LLP
Shail Shah	- Internal Auditors
Robert Smith	- Internal Auditors

34 APOLOGIES

None received.

35 DECLARATIONS OF INTEREST

None received.

36 MINUTES & NOTES OF THE MEETING 2 APRIL 2007

The Committee agreed that in light of the meeting being inquorate the minutes and notes be formally adopted as a true and accurate record of the meeting. It was further agreed that the recommendations referred to in the notes be approved and officers to take appropriate action.

37 MATTERS ARISING

The Head of Risk & Audit Services informed the Committee that the reference made in the notes in relation to the work undertaken by the Internal Auditors being outside the scope of the Service Level Agreement, referred to the work on the plan that had not been undertaken during the year and was mainly a result of the work was pertaining to the District Auditor's Investigation.

38 AUDIT OUTSTANDING ACTIONS

The Head of Finance presented a report which included a schedule of recommendations and actions from previous audit reports that remained outstanding.

The Committee was informed that since the last meeting thirty (30) actions had been added from the four reports. At the end of May 2007 thirteen had been completed, four remained overdue and seven were due to be completed by the end of June 2007. The reason why some items were overdue or dates had slipped was due to the restructuring, revised dates had been agreed and officers will commit to them. Audit Committee agreed to defer some of the actions.

The Head of Finance advised the Committee that an update would be provided for the next meeting.

The report was noted.

39 INTERNAL AUDITORS' REPORTS

The Head of Finance presented a report which included two final audit reports.

Housing Rents

A review of income processes and controls had been completed as part of the annual review of key systems; which had concluded that controls were good but there were a small number of medium risk areas where improvements could be made.

The committee was informed that out of the seven recommendations last time, six had been implemented and one had not been completed due to absence.

Stores

The Head of Finance had requested that the City Audit Services look at this area as it was one that would benefit from an independent review.

A number of high and medium risks had been identified and in response a Working group had been formed with representatives from Technical, Finance and IT. The group had met twice and developed an action plan with all outstanding actions to be completed by the end of August 2007. The City Audit Service has been asked to review the area again in the autumn of 2007 to confirm that the recommendations have been actioned.

The value of stock permitted in the vehicles was queried and it was agreed that the Head of risk & Audit Services would check with the insurers and report back.

It was agreed that some financial controls need to be put in place.

The reports were noted.

40 PROPOSED AUDIT PLAN 2007/2008

The Head of Risk & Audit Services presented a report and explained the background to the Internal Audit Service and presented his proposed plan for 2007/2008. The view of the Committee was requested before the plan was finalised.

The Committee noted that work was proposed for four areas of risk in the Company's Risk Register but questioned whether it was appropriate for City Audit Services to undertake these. It was suggested that a review of BVPI performance management and other management information systems might be a better use of the resource. The Head of Risk & Audit agreed to consider this and represent his 2007/08 plan.

The Head of Finance referred to the 2006/2007 plan which had identified four hundred and twenty-five days worth of work and the plan for 2007/2008 which indicated a reduction in the number of days of work, however, the cost remained unchanged.

The Head of Finance asked how quickly the Committee would see reported days actual against the SLA commitment. In response the Head of Risk & Audit Services stated that there were two audit reports to be finalised and that he would bring the actual against budget to the next meeting.

The Committee noted the report.

41 MANAGEMENT LETTER ISSUES

The External Auditors circulated a copy of their external audit findings for 2006/07. The Committee was advised that their work had not yet been fully completed, mainly due to the review of the post balance sheet events.

The Committee was informed that the report summarised the external auditor's key findings in connection with the audit of the financial statements of the Company in respect of the year ended 31 March 2007. When the Audit Plan was developed, risks that would impact on the accounts were identified such as the Audit Commission's investigation into allocations. The External Auditor's were advised that the Company has reviewed its Governance Structure and will be reducing the size of the Board after the Annual General Meeting.

The Committee was advised that The FRS17 treatment had an impact of the accounts, however, the 2006/07 accounts had benefited from this.

The Committee agreed that the Head of Finance would provide the feedback on the external audit and any other matters pertaining to the signing of the accounts to the Board meeting on 28 June 2007.

42 ANY OTHER BUSINESS

The Head of Risk & Audit Services made reference to the Internal Audit Tender process and stated that he had not seen any reference to TUPE in the tender invitation document. In response the Head of Finance advised that the TUPE issue had been dealt with via his representative Mick Ahern. In addition the Committee was informed that the requirements of the European Legislation for procurement had been fulfilled.

The meeting closed at 13.40pm