

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT THE TOWN HALL, PETERBOROUGH ON 29 JUNE 2009**

Present: Councillors M Dalton (Chairman), N North (Vice-Chairman), D Harrington, P Kreling and B Rush

Officers Present: Steve Crabtree, Chief Internal Auditor
John Harrison, Executive Director-Strategic Resources
John Blair, Head of Strategic Finance and Performance Improvement
Diane Baker, Fraud and Investigation Manager
Kirsty Nutton, Financial Services Manager - Corporate Accounting
Ruth Lea, Lawyer - Growth Team
Martin Whelan, Senior Governance Officer

1. Apologies for Absence

The Committee noted apologies from Councillor Gilbert and Councillor Hussain.

2. Declarations of Interest and Whipping Declarations

There were no declarations of interest or whipping declarations.

3. Minutes of the Meeting Held on 1 June 2009

The minutes of the meeting held on 1st June 2009 were agreed as a true and accurate record of the meeting.

4. Statement of Accounts for the Year Ended 31 March 2009

The committee received a report from the Executive Director – Strategic Resources relating to the statement of accounts for the year ended 31 March 2009.

The committee made the following observations

- Is there any action required on the pension liabilities? *The members were advised that the pension liabilities were regularly evaluated, and that at this stage no remedial action was required.*
- Is the reduced inspection fee an indication of good work? *The representative of PWC advised that it recognised the increased effectiveness of financial controls.*
- Clarification was sought on the current position in relation to the receipt of Icelandic funds? *The Executive Director – Strategic Resources outlined the payment terms for the banks, and agreed to supply members with the latest information outside of the meeting.*
- How are the surplus “earmarked” reserves calculated? *The Executive Director – Strategic Resources confirmed that the figures were calculated on the basis of a policy decision in 2005 by Cabinet.*
- What is the current valuation process? *Officers confirmed that there is a rolling programme of valuations, with the period between valuations determined on a risk basis. The committee was advised that the cost of undertaking annual valuations was prohibitively high.*

- Are the death rate figures locally sourced? *The Head of Strategic Finance confirmed that the figures were supplied by a Scottish company, but were locally revised.*
- Is the reduced level of school budgets an area of concern? *The Executive Director – Strategic Resources confirmed that there has been a deliberate policy of reducing school reserves.*
- Are the goods and services figures quoted “income” or “profit”? *The Executive Director – Strategic Resources confirmed that this was a profit figure.*
- Does the statement consider the impact of the current economic climate? *The Executive Director – Strategic Resources confirmed that this was factored into the process.*

The committee approved the recommendations as listed in the committee report.

5. Fraud and Irregularity Annual Report 2008 / 2009

The committee received a report from the Fraud and Investigation Manager regarding the activities of the team over the last 12 months.

The following questions were raised by the committee;

- Is it possible to pursue individuals through the civil courts for re-payment of losses? *The benefit of the approach was questioned, and it was also noted that there may be legal difficulties in the council pursuing civil actions of this type.*
- Clarification was requested on the meaning of “positive action” in relation to benefit fraud referrals/investigations? *The Fraud and Investigation Manager explained the different possible outcomes in these types of cases.*
- The committee congratulated the team for receiving a 4 star rating at the last assessment.
- In response to an explanation of additional work undertaken by the team, the Chairman asked whether a decision had been on whether there would be a clean register canvass in 2009/10? *The Fraud and Investigation Manager explained that this was beyond her remit, and any questions of this nature should be directed to the Principal Democratic Services Officer. The possibility of also inviting the PDSO to a future meeting was considered.*
- Do the falling numbers on the electoral roll have an impact on funding? *The Head of Strategic Finance confirmed the majority of funding was based on the census, and that the electoral roll figures had a very limited effect.*

6. Feedback and Update Report

The Chief Internal Auditor provided an update on the issues raised at the meeting held on 1st June 2009.

7. Audit Committee Work Programme 2009 / 2010 (Including Any Training Needs)

The committee noted the report.

The meeting closed at 7.32 p.m.