

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE
HELD AT THE TOWN HALL, PETERBOROUGH ON 6 JUNE 2011**

Present: Councillors Lamb, Kreling Harper, Goldspink, Sharp and Lane

Officers in attendance: Steven Pilsworth, Head of Corporate Services
Steve Crabtree, Chief Internal Auditor
Gemma George, Senior Governance Officer
Karen Dunleavy, Governance Officer

1. Apologies for Absence

Apologies were received from Councillor Stokes.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the Meeting held on 28th March 2011

The minutes of the meeting held 28th March 2011 were approved as an accurate and true record.

4. Audit Committee Members Handbook

Members received a presentation on the Audit Committee Members' Handbook which detailed the function of Audit Committee.

The report sought the agreement of the Committee to formally adopt the use of the Audit Committee Handbook (3rd Edition). The following points were considered:

- Training Objectives;
- Areas of Activity;
- Terms of Reference;
- Audit Activity (1);
- Audit Activity (2);
- Regulatory Framework;
- Accounts;
- Support to Audit Committee;
- Role of Members;
- How Audit Committee was run;
- Using the handbook; and
- The Audit teams performance.

Members were advised that all matters which would be brought to Audit Committee for consideration ranged from governance arrangements and codes of conduct to internal controls.

Members were updated that the Audit Committee meetings scheduled throughout the year would consider the Annual Audit report and a review of financial and non financial

performance. It was also intended that Members would be given the opportunity to meet with external auditors, Price Waterhouse Coopers.

Members were advised of the roles and responsibilities of lead officers for each part of the Annual Audit report:

- Resilience Services Manger - Risk Management;
- Head of Governance - Fraud and Investigations; and
- Head of Corporate Services - Statement of Accounts.

Members also received a briefing and overview on the Audit Committee roles when scrutinising financial reports which would be presented at future Audit Committee meetings as follows:

- Statement of Accounts;
- Outturn Report;
- Prudential Indicators; and
- Core Financial Statement.

The Outturn report which included the Prudential Indicators along with the Statement of Accounts was to be submitted to Cabinet for consideration on 13th June 2011 and presented at the Audit Committee meeting on 27th June 2011. The Statement of Accounts report would be used for submission to the external auditors for review. Members were advised that the Statement of Accounts report would be subject to final approval and sign off on 6th September 2011 Audit Committee meeting.

Members were advised that briefing sessions would be available before an item was to be considered at Audit Committee meetings.

Members were invited to comment on the Audit Committee Handbook and the following issues and observations were highlighted:

- Members were advised that external contractors had been used by Peterborough City Council by order of the Audit Commission. The contract for the external auditor service was being reviewed and that a tender would be submitted. A decision would be made at Audit Committee on which company would be used in the future;
- Members were advised that the Council paid for the services of the external auditors and that the terms of reference had been set by the Audit Commission;
- Members were advised that the Annual Audit Statement would highlight any points of failure which would be subject to challenge by Members of the Audit Committee;
- Members were advised that all audit reports would be available on the Council's internal website, which was under development;
- Members were advised that there would be briefing sessions made available on aspects of the Audit Committee Handbook, for any Member wishing to receive one;
- Members sought clarification on abbreviations used within the report;
- Members were advised that using the International Reporting Standards had created a massive impact on the finance team's workload; and
- Members were advised that the Statement of Accounts report could be compared with the previous year's submission.

Action Agreed

- (1) Except where unavoidable, no abbreviations would be used in future reports for Audit Committee;
- (2) Typographical errors and out of date references would be corrected before publication; and
- (3) The Committee approved to adopt the use of the Audit Committee Members' Handbook (3rd Edition).

5. Work Programme 2011/12

Members received an update on the 2011/12 Audit Committee work programme.

Members were advised that there would be a briefing session on the Statement of Accounts at 6.30pm prior to the Audit Committee meeting on 27th June 2011.

Action Agreed

It was agreed that all Members of the Audit Committee would be informed of the briefing session.

7.00pm – 8.00pm
Chairman