

# GOVERNANCE AND AUDIT COMMITTEE

## Minutes of a meeting held at 6.30pm on Wednesday 26 October 2005

**Present:** Councillors Barbara Alexander (p), Jeff Brooks (ap), Sue Farrant (ap), Denise Gaines (p), Graham Jones (Chairman) (p), Andrew Rowles (p), and Emma Webster (ap)

### 1. APOLOGIES

Apologies for inability to attend the meeting were submitted on behalf of Councillors Jeff Brooks, Sue Farrant and Emma Webster.

### 2. MINUTES

**RESOLVED:** That the Minutes of the meeting of the Governance and Audit Task Group held on Wednesday 14 September be confirmed as a true and correct record.

### 3. DECLARATIONS OF INTEREST

There were no declarations of interest made.

### 4. REPORT ON THE 2004/05 FINANCIAL STATEMENTS

John Bull from the Audit Commission was introduced to the meeting and he was requested by the chairman to present the report findings on the 2004/05 Financial Statements.

A draft of the accounts for 2004/05 had been approved by Council on the 28<sup>th</sup> July 2005. The report presented the material aspects arising from the audit of those draft accounts to the Governance and Audit Committee.

A more detailed report would be produced for discussion with officers at a later date.

Referring to paragraph 2 (Page 6) – The status of the audit. The report outlined three outstanding queries to be resolved. John Bull confirmed that queries 2 and 3 had since been resolved and amendments had been agreed. On the first query relating to the verification of the Adjustment A in respect of the minimum revenue position calculation following implementation of the new Prudential code. This was a technical accounting issue, officers were in discussion with the Audit Commission as to how best to resolve the matter. It should be noted that this was part of a national issue and would be managed in line with national guidance once that was released.

Referring to paragraph 5 (Page 7) – Matters to be reported to those charged with governance. Under 'Unadjusted misstatements':

- The audit had identified one non-trifling misstatement in the financial statements that management had decided not to adjust. This related to an amount of £984,000 in creditors in respect of housing benefits monies due to the government department. Andy Walker (Financial Policy and Planning Head of Service) commented that this amount of £984,000 would be kept based on latest CIPFA guidance on accounting in this area along with the recent change in IT system indicating that it would be prudent to hold reserves at the current level.

## Governance and Audit Task Group – 14 September 2005 – Minutes

- The audit has also identified adjusted misstatements where these were material and relevant to the committee's governance responsibilities. There were three material misstatements that management had agreed to adjust, these were also listed under paragraph 5 on page 7 of the report.

It was agreed by the Committee to delegate to the chairman the approval of any changes relating to the outstanding query on the verification of the Adjustment A once national guidance had been provided.

**RESOLVED:** That the Committee accepted the audit report and approved the revised financial statements subject to the satisfactory conclusion of the Adjustment A issue.

### 5. SCHEME OF DELEGATION

David Holling presented the paper to the Committee to review the Scheme of Delegation in relation to the introduction of Part 2 of the Clean Neighbourhoods and Environment Act 2005.

**RESOLVED:** That the following recommendations were approved unanimously:

- i) That the Heads of Highways and Engineering and Public Protection be authorised to exercise powers in relation to Part 2 (Sections 3-8) of the Clean Neighbourhoods and Environment Act 2005.
- (ii) That the Head of Countryside and Environment be authorised to exercise powers in relation to Part 2 (Section 10) of the Clean Neighbourhoods and Environment Act 2005.

**NOTE:** The next meeting of the Governance and Audit Committee would be held on **Tuesday 22nd November at 7.00 p.m. in Committee Room 2.**

*(The meeting commenced at 6.30 p.m. and closed at 6.50 p.m.)*

**CHAIRMAN** .....

**Date of Signature:** .....