

GOVERNANCE & AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 28 SEPTEMBER 2006

Councillors: Barbara Alexander (*Chairman*) (P), John Chapman (A), Sue Farrant (P), Denise Gaines (P), Alexander Payton (*Vice Chairman*) (AP), Andrew Rowles (P) and Emma Webster (P)

Substitute(s): Keith Woodhams

Also present: John Bull (Audit Commission), Mick West (Audit Commission), David Holling (Head of Legal and Electoral), Ian Priestley (Head of Assurance), Simon Freeman (Head of Accountancy) and Vicky Wheatley (Policy & Research Officer).

PART I

13. APOLOGIES.

Apologies for the inability to attend the meeting were received on behalf of Councillor Alex Payton. Councillor Keith Woodhams attended the meeting as a substitute.

14. MINUTES.

The Minutes of the meeting held on 29 June 2006 were approved as a true and correct record and signed by the Chairman.

15. DECLARATIONS OF INTEREST.

There were no interests declared.

16. ANNUAL GOVERNANCE REPORT 2005/2006.

The Committee considered the Audit Commission's Annual Governance Report (Agenda item 4) for the audit of the Council for the year ended 31 March 2006. Mick West, District Auditor, reported that

- Audit Commission had the responsibility of auditing the Council's accounts, reviewing the Council's arrangements for Value for Money (VFM) and issuing an opinion. This work was underpinned by the Audit reports detailed at Appendix 2,
- The audit plan (Appendix 1) had been agreed with the Council in 2005,
- The Audit Commission also had an inspection role and examined grant claims. This was captured in the annual inspection letter (Appendix 6),
- The Audit Commission had issued an unqualified opinion on the accounts and VFM arrangements for 2005/2006. The opinion on the accounts was based on the examination of the Council's main financial systems and procedures, internal audit and the balance sheet,
- The Committee were asked to note that the Audit Commission did not comment on whether the Council provided VFM, but on the arrangements it had in place. The opinion was based on internal control, the use of resources, corporate performance management and financial management and assessed against 12 criteria – which the Council was judged to have met. As this was the first year the VFM arrangements had been audited, the Audit Commission could not comment on the direction of travel,
- The Audit Commission had a duty to report on modifications, uncorrected statements, adjustments, weaknesses and fraud / non compliance. They had found nothing to report except the transfer of £25.5 million in capital assets,

GOVERNANCE & AUDIT COMMITTEE – 28 SEPTEMBER 2006 – MINUTES

- The Use of Resources was assessed qualitatively and would be reported on as part of the annual inspection letter. As opposed to the VFM where the arrangements could only be judged to have 'met' or 'not met' the criteria, the Use of Resources would be graded 1 – 4. A report on the Use of Resources would be issued in February 2007 for the CPA scorecard,
- The fee for the Use of Resources (Appendix 3) reflected the Council's 'Good' CPA rating and healthy position. It was unlikely this fee would be reduced. In future the fee would rise to cover the Corporate Assessment and Annual Review,
- The Audit Commission thanked Finance staff for their help throughout the year and during the Audit Process.

The Committee thanked the District Auditors for attending the meeting, and looked forward to receiving more detailed and informative reports in future which would further its improvement and allow for comparisons against other authorities.

RESOLVED that

1. The Annual Governance Report of West Berkshire Council for the Audit of 2005/2006 be noted,
2. In future, the Final Accounts Memorandum be addressed to the Governance & Audit Committee in addition to the Head of Finance,
3. District Audit be requested to provide further information on the assessment, grading and reporting of the Use of Resources at a future Governance & Audit meeting,
4. The Committee approved as modified the Letter of Representation at Appendix 6 of the Annual Governance Report.

(The meeting commenced at 5.30pm and closed at 6.00pm)

CHAIRMAN

Date of Signature: