

**At a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the CIVIC CENTRE on FRIDAY, 29<sup>TH</sup> SEPTEMBER, 2006 at 4.00 P.M.**

**Present:-**

Mr. G.N. Cook in the Chair.

Councillors Mrs. M. Forbes, Mrs. J. Heron and L. Scott and Mr. J. Paterson.

**Declarations of Interest**

The following personal declarations of interest were made:

Councillor Mrs. M. Forbes and Mr. G.N. Cook declared personal interests as Members of the Tyne and Wear Fire and Rescue Authority.

Councillors C.R. Anderson and Mrs. J. Heron declared personal interests as Members of the Local Government Pension Scheme.

**Apologies for Absence**

An apology for absence was submitted to the meeting on behalf of Councillor Allan.

**Minutes**

1. RESOLVED that the minutes of the meeting of the Committee held on 30<sup>th</sup> June, 2006 be confirmed and signed as a correct record.

**Variation of Order of Business**

The Chairman having requested that the order of business on the agenda be varied, it was;-

2. RESOLVED that the order of business on the agenda be varied accordingly.

**Authority's Letter of Representation**

The Council's Letter of Representation to the Council's External Auditor was submitted (copy circulated) which advised that the representations given in connection with the

audit and financial statements for the year ended 31<sup>st</sup> March, 2006 were accurate. The City Treasurer advised that the Letter of Representation was designed to give added assurance to Members of the Committee that all accounting records had been made available, that all the transactions undertaken by the Council had been properly reflected in the financial records, and that all other records and information had been made available to the Council's External Auditor.

Councillor C.R. Anderson and Mr. Patterson joined the meeting at this juncture.

3. RESOLVED that the Authority's Letter of Representation be received and noted.

### **The Annual Governance Report**

The Council's Audit Manager, Ms Lynn Hunt , introduced the Council's External Auditor's Annual Governance Report. Ms Hunt referred to the very low level of three misstatements in the accounts submitted for audit and detailed on Page 6 of the report, which had all been corrected and had no impact on the financial position of the Council.

She explained that the external audit had been very well managed by the Council and that the working papers were the best she had seen.

Referring to the Use of Resources Section Ms Hunt advised that in relation to Value for Money no significant weaknesses had been identified. In particular procurement processes had been improved during 2006 and the Council was on track to deliver planned efficiency savings. In addition, she advised that the Council had a strong strategic process in place to manage financial performance and risk.

In response to a question regarding the Council's approach and developments on procurement, the City Treasurer confirmed that advice and guidance had been given to local suppliers on how best to position themselves to successfully bid and tender for Council contracts. He explained that significant progress in raising awareness of local businesses and suppliers with the support and facilitation of the North East Chamber of Commerce.

With regard to Data Quality, the Audit Manager stated that information on which decisions were based was found to be robust.

The Chair congratulated the City Treasurer and his team for a superb report.

3. RESOLVED that the Authority's Annual Governance Report be received and noted.

### **Statement of Accounts 2005/2006 – Audited Version**

The City Treasurer submitted the amended audited accounts for approval by the Committee. The amended accounts reflected the three misstatements identified by the external audit.

(For copy report – see original minutes).

The City Treasurer referred to Appendix 1 which detailed the adjustments which had been reflected in the accounts.

Having considered the report, it was:

4. RESOLVED that the amended Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2006 be approved.

### **Corporate Risk Profile**

The City Treasurer submitted a report (copy circulated) which advised Members of the updated Corporate Risk Profile (CRP) and amendments outlined in the report.

The City Treasurer reported that the CRP was regularly reviewed to ensure that the major risks facing the Council were being actively managed.

A discussion ensued regarding risk management and the City Treasurer explained that a comprehensive Business Continuity Plan had been prepared.

5. RESOLVED that the report be received and noted.

(Signed) MR. G.N. COOK,  
Chairman.