

## **MAIDSTONE BOROUGH COUNCIL**

### **AUDIT COMMITTEE**

### **MINUTES OF THE MEETING HELD ON 17 SEPTEMBER 2007**

**PRESENT:** Councillor Warner (Chairman) and  
Councillors Butler, Garland and Marchant

**Also Present:** Councillor Oldham  
Ms Lindsey Mallors – Audit Commission  
Mr Steve Golding – Audit Commission  
Mr Graham Tye – Audit Commission

### **REFERRED MATTERS**

#### 23. AUDIT COMMISSION'S ANNUAL GOVERNANCE REPORT 2006/07

The Committee considered the report of the Chief Finance Officer on the Audit of the Statement of Accounts 2006/07 including the submission of the Audit Commission's Annual Governance Report.

The Audit Commission presented the Annual Governance Report for 2006/07 and in presenting the report, highlighted the key messages within that report.

- The Financial Statements were substantially complete although there were some outstanding issues to be resolved in particular the NNDR3 Audit and Module 1 from the Housing Benefit Audit had yet to be concluded. Subject to satisfactory completion of this work which they would expect to occur they were issuing an unqualified audit opinion to the Council Meeting on 26 September 2007.
- The Statement of Internal Control had been prepared in accordance with proper practice specified by CIPFA and is consistent with the findings from the audit. However, a number of minor amendments have been made as a result of the audit.
- The Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources is now complete and the commission are issuing an unqualified conclusion of the use of the resources when submitting this to Council on the 26 September 2007.

The Audit Committee raised a number of issues with the Committee in particular the point raised by Councillor Oldham regarding Related Party Transactions. Councillor Oldham indicated that the guidance on this matter was too complicated to understand and that the work done was an exercise of box ticking which caused him concern as he felt that with the audit process concentrating on box ticking it could be in danger of missing the big issues.

**RECOMMENDED:**

1. That the Annual Governance Report 2006/07 from the District Auditor, attached as Appendix A, be considered by the Council.
2. That the amended Statement of Internal Control as set out in Appendix B be agreed.

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**DELEGATING MATTERS**

24. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

25. NOTIFICATION OF VISITING MEMBERS

Councillor Oldham indicated that he wished to speak in respect of items 5 and 6.

26. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures.

27. EXEMPT ITEMS

RESOLVED: That the item be taken in public as proposed.

28. MINUTES

RESOLVED: That the minutes of the meeting held on the 14 June 2007 be approved as a correct record and signed.

29. PROCEEDS OF CRIME ACT 2000 (ANTI-MONEY LAUNDERING)

The Committee considered the record of recommendation of the Cabinet on the policy and procedures for the Authority's effective delivery of its responsibilities under the Proceeds of Crime Act 2002, Money Laundering Regulations 2003 and The Terrorism Act 2000.

RESOLVED: That the Cabinet be informed that the Audit Committee had no comment in relation to the policy and procedures for the effective delivery of its responsibilities under the Proceeds of Crime Act 2002, Money Laundering Regulations 2003 and The Terrorism Act 2000 other than to state that there could be a risk to Council in receiving a cash payment of £5,000.

30. AUDIT COMMISSION'S ANNUAL GOVERNANCE REPORT 2006/07

See Minute 23 above.

RESOLVED: That the officers be asked to report back to the Committee on the procedures for the completion of Related Party Transactions.

31. DURATION OF THE MEETING

6.30 p.m to 7.40 p.m.