

Audit Committee 7 July 2009 4.30 in Ashington

<p>Present : S Barlow(Chair), I Todd, R Ellis-Jones</p> <p>Apologies: C Smith</p> <p>In Attendance: Clerk, C Todd, S McNair, W Brown PWC</p>	
<p>1-3 The meeting was agreed to be quorate and the minutes from the last meeting were agreed to be accurate and approved and the items to be actioned had been completed.</p>	
<p>4. Matters arising: none</p>	
<p>5. Internal Audit reports Fixed Assets :</p> <p>The grade given was a limited assurance. The auditors had been very pleased to note the timely action plan C Todd and the team had done excellent work to implement the plan and had recovered more information as they worked. There were the three categories marked as high and these now had very timely implementation dates and the auditor was happy with the management comments.</p> <p>C Todd agreed that the ledger was in a bad state but it was now all tied up and there would be a final inventory in the next few months to tie up the loose ends and be updated, the audit process had been very useful.</p> <p>Internal audit reports Debtors: The grade given was a limited assurance due to one critical point on the PCI standard on data security for data storage, handling, access codes etc. Again there was a good response from C Todd and the team and the measures were now in place, there was a need to keep it on the radar.</p> <p>C Todd agreed that there was a pressing need to review data handling and security and that this was now in hand. There had been a lack of awareness of what was required but this was now being dealt with. Cash collections had now been addressed. There was some discussion of the best way to stay up to date on the recent policy changes in management accounting.</p> <p>Debt recovery, reconciliations and write offs were now completed and systems now up and running, there was a plan to look at agency cover for small debt recovery.</p>	
<p>6. Log of outstanding issues:</p> <p>Many of the issues were updated to have July August deadlines, there was a need for a planning meeting with the external auditors. The governors noted that some issues seemed to have been around for a long time and in particular high order financial controls needed to be closed off the list. Governors suggested that a summary list in table format would be helpful in tracking actions taken and C Todd agreed to produce on for the future. On ongoing work the ILR was mostly complete now and would be finished by the end of the Summer. There was a question from Governors on the position with franchise provision and audit and it was confirmed that the franchise position was currently dormant it was agreed that a paper on this should go to the full</p>	<p>Paper on franchise position to go to full governing body</p> <p>C Todd to produce a summary of the Log for future meetings</p> <p>Risk of loans for October meeting.</p>

<p>Governing Body.</p> <p>On Treasury Management there was work to be done on the cash strategy but this would be finalised by the October meeting. There was a question about the risk of loans and where this would be classified this needed to be looked at. It was again raised that the risk of borrowing need to come before Governors as a separate item and C Todd confirmed this would be done for the October meeting.</p>	
<p>8. Draft internal audit plan:</p> <p>PWC would present to the finance team to show what reviews could be done and the plan would be considered together. It has been put over a three year plan to include all risk areas. A question was raised as to whether the audit could be tied up with the SAR for use as evidence, bringing the audit more into focus for managers when writing the SAR. Maybe this was the way out of the cycle of limited assurance reports ? There was a call from Governors to manage the audit process in a very pro-active way to achieve good results from it. Key to this is getting the TOR agreed early on. It was also good practise to have an audit milestone during the process for feedback.</p>	
<p>7. Reappointment of internal and external auditors:</p> <p>After discussion all agreed that the committee recommend to the Board that the current auditors be re-appointed.</p>	
<p>Other business : no items were classed as confidential, it was agreed that a joint meeting with the auditors and finance committee would be a good idea before the final year accounts.</p>	
<p>Action points:</p> <p>Paper on the position with franchise to go to full governing body</p> <p>C Todd to produce a log of outstanding issues summary</p> <p>Risk of loans to go to October meeting</p>	