

FALKIRK COUNCIL

MINUTE of MEETING of the AUDIT COMMITTEE held in the MUNICIPAL BUILDINGS, FALKIRK on MONDAY 16 NOVEMBER 2009 at 10.00 a.m.

PRESENT: Councillors Blackwood, Coleman, Gow, Lemetti, Patrick and Kenna.

CONVENER: Councillor Gow

ATTENDING: Chief Executive; Directors of Corporate and Neighbourhood Services of Finance and of Development Services; Internal Audit Manager, Heads of Accountancy; Business Services and of Educational Resources; Democratic Services Manager and Committee Officer (A Sobieraj).

ALSO ATTENDING: Assistant Director, Audit Scotland (M Taylor) and Senior Audit Manager, Audit Scotland (B Crosbie).

DECLARATIONS

OF INTEREST: None.

AC14. MINUTE

There was submitted (circulated) and **APPROVED** Minute of Meeting of the Audit Committee held on 15 June 2009.

AC15. AUDIT COMMITTEE TRAINING PROGRAMME

There was submitted Report (circulated) dated 9 November 2009 by the Director of Finance proposing an Audit Committee training programme for 2010 covering the following areas :-

- The role of the External Auditor
- The role of the Internal Auditor
- Understanding the financial statements/financial reporting
- The importance of risk management

NOTED.

AC16. AUDIT COMMITTEE – AN EXTERNAL AUDIT PERSPECTIVE

Mark Taylor, Assistant Director, Audit Scotland and Bruce Crosbie, Senior Audit Manager, Audit Scotland gave a joint presentation on the external audit perspective on Audit Committees. The joint presentation covered the following :-

- Audit Committees and Local Government Roles and relationships of the Audit Committee, Internal Audit and External Auditor
- Attributes of an effective Audit Committee
- Challenges and solutions
- Advantages

NOTED.

AC17. ANNUAL REPORT ON THE 2008/09 AUDIT

There was submitted Report (circulated) dated 5 November 2009 by the Director of Finance summarising the key issues identified in the 2008/09 Audit. Appended to the Report were:-

- (1) "Report to Members and the Controller of Audit on the 2008/09 Audit" by Audit Scotland.
- (2) "Report to those charged with Governance on the 2008/09 Audit" by Audit Scotland.
- (3) Falkirk Council's Annual Reports and Accounts 2008/09.

An action plan identifying the areas where further improvements could be made was also presented.

NOTED.

AC18. GOVERNANCE AND INTERNAL CONTROL

There was submitted Report (circulated) dated 5 October 2009 by Audit Scotland summarising a review of Falkirk Council's Corporate Governance arrangements.

An action plan identifying the areas where further improvements could be made was appended to the Report.

NOTED.

AC19. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IN SCOTTISH LOCAL GOVERNMENT

There was submitted Report (circulated) dated 29 October 2009 by The Director of Finance (a) advising of the requirement on Government bodies to adopt the International Financial Reporting Standards (IFRS); (b) highlighting significant challenges for Councils in adopting the new Reporting Standards and (c) summarising the transition process towards the adoption of IFRS.

NOTED.

AC20. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IN SCOTTISH LOCAL GOVERNMENT - IMPACT ASSESSMENT AND PROGRESS REPORT

There was submitted Report (circulated) dated 29 October 2009 by the Director of Finance (a) highlighting the outcomes of an assessment of the impact of applying International Financial Reporting Standards (IFRS) to financial reporting information of Falkirk Council and (b) detailing progress made to date in adopting IFRS within Falkirk Council.

NOTED.

AC21. FINANCIAL REGULATIONS

There was submitted Report (circulated) dated 6 November 2009 by the Director of Finance Services (a) advising of a review of the Council's Financial Regulations (b) highlighting proposed key changes to the Regulations and (c) presenting as an appendix, the revised Financial Regulations for approval.

AGREED to refer the proposed revised Financial Regulations to Falkirk Council for approval.

AC22. INTERNAL AUDIT PROGRESS REPORT

With reference to the minute of the meeting held on 3 April 2009 (paragraph AC4 refers) there was submitted Report (circulated) dated 6 November 2009 by Internal Audit Manager (a) summarising progress made towards the completion of the 2009/10 Internal Audit Plan; (b) providing an update on Services' progress in implementing recommendations identified in the Audit reviews and (c) summarising the performance of Internal Audit as measured against five key performance indicators.

NOTED.

AC23. CORPORATE RISK REGISTER

There was submitted Report (circulated) dated 10 November 2009 by the Director of Development Services (a) advising of a review of the Corporate Risk Register and (b) advising that a review of all existing Corporate Working Groups detailed in the Register would required to be completed prior to the Register being finalised.

AGREED:-

- (1) to approve the proposed Corporate Risk Register as detailed in the Report;
- (2) to note that the Corporate Risk Register would be further revised upon completion of a review of corporate working groups; and
- (3) to request periodic Reports on the Corporate Risk Register and its implementation.

AC24. FALKIRK COUNCIL INTERNAL AUDIT REVIEW OF EMERGENCY PLANNING AND CIVIL CONTINGENCIES

There was submitted Report (circulated) dated 10 November 2009 by the Director of Development Services advising that Internal Audit had carried out a review of emergency planning in civil contingencies during 2007/08 and detailing progress made in implementing the main action points as set out in the review action plan.

NOTED.