

**MINUTES of the meeting of Audit Committee held on 27 June 2012 at 7.00pm**

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**Present:** Councillors T Ojetola (Chair), M Healy, C Kent, D Hale, S Wootton and T Hipsey

**Independent Members** Ms R Long, Mr J Oliver

**Apologies:** Mr S Rosser

**In attendance:** G Clifford – RSM Tenon  
M Hone - Director of Finance & Corporate Governance  
S Clark – Head of Corporate Finance  
F Gardiner - Chief Accountant  
Ms W Borgartz – Audit Commission  
Ms D Hanson – Audit Commission  
K-V Martin – Senior Democratic Services Officer

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**1 Additional Items**

There were no additional items. However the Chair informed the Committee that Item 6 would be taken before Item 5.

**2 Declarations of Interest**

Mr Oliver declared an interest in Items 4 and 6 as he is a manager for the Development Corporation.

**3 Anti-Fraud and Corruption – Sector Briefing**

Members were given an overview of the fraud risks as well as different types of fraud. It was explained to the Committee that if procedures were not followed then organisations were liable to be hit for big sums of money. The Committee were informed that at Thurrock the risk factor had a 37% increase, therefore more fraud needed more awareness.

The Committee were informed that fraud was increasing whether it be organised fraud or opportunists, this would show any weaknesses within procedures. Members were told that effects were in place to prevent fraud. It was suggested that the Council may need to raise the level of awareness with regard fraud.

Members queried whether there was a team in place to look at the points raised. Officers informed Members that there was a policy on whistle blowing however it was rarely used. Members expressed the opinion that there may need to be a more proactive response to marketing the whistle blowing policy.

#### **4 Annual Audit Letter 2010/2011 and Section 11 Action Plan update**

The Director of Finance & Corporate Governance explained that this item was the letter of accounts signed by the Audit Commission.

The Audit Commission talked Members through the Annual Audit Letter. Mentioning in particular the two key messages, Audit opinion and Financial Statements and value for money.

Members were explained that the audit commission were unable to issue their audit opinion on the due date of 30 September, as the Council's arrangements for producing the financial statements and supporting working papers were inadequate.

The Committee were informed that the Audit Commission qualified the value for money explaining that they will still need to see improvements and that further work needed to be done.

Members queried the Oracle system asking for an update on its problems. Officers explained that the project went live on the 1 April 2012 version 11 was updated to version 12, changes and improvements were made to system including bring in a HR and payroll system within the Oracle system in early September. It was explained that the improvements and changes couldn't have been made until the system went live.

The Chair asked that as improvements had been seen was it possible that the accounts could be qualified. The Audit Commission explained that it was too early to say.

Members queried the audit commission fee of £55,000 asking if it qualified. Officers explained that the fee was an individual service plan and that there were ways to get the money back next year. The Audit Commission explained that with less testing the fee would decrease.

#### **RESOLVED:**

**That the report be noted**

## **5 Annual Financial Statements 2010/11**

The Director of Finance & Corporate Governance talked Members through the report.

Members asked what was the target fund, Officers explained that the funds were run on the Councils behalf by Investec. Members also queried the bank rating mentioning that it was lower. Officers explained that the amount of people the council could lend money to was decreasing.

The Chief Accountant explained to Members that the accounts of 2011/2012 had been produced, and that the auditors were happy however they wanted to make the accounts easier to read. The current template was 160 pages with the new template hoping to be only 62 pages.

### **RESOLVED:**

**That the report be noted**

## **6 Work Programme**

The Committee discussed future items they wished to look at and suggested the following:

- Monitoring the Accounts
- Blue Badge fraud
- School Admission Fraud
- Morrison Contract
- Transformation Agenda
- Business Continuity and Business Recovery update
- Fraud Activity Update

**The meeting finished at 9.15pm.**

Approved as a true and correct record

**CHAIRMAN**

**DATE**

**Any queries regarding these Minutes, please contact  
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or alternatively e-mail [kmartin@thurrock.gov.uk](mailto:kmartin@thurrock.gov.uk)

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