

Audit and Standards Committee
6 December 2006

IRVINE, 6 December 2006 - At a Meeting of the Audit and Standards Committee of North Ayrshire Council at 2.00 p.m.

Present

Tom Barr, Ian Clarkson, Jean Highgate, and Margaret Munn.

In Attendance

I Snodgrass, Chief Executive; A Herbert, Assistant Chief Executive (Finance); I Mackay, Assistant Chief Executive (Legal and Protective Services); I Gibson, Chief Internal Auditor (Finance); and P Shiach Corporate Support Officer, (Chief Executives).

Also In Attendance

A Haseeb and S Lawton, Audit Scotland.

Chair

Councillor Barr in the Chair.

Apologies for Absence

Gordon Clarkson, Drew Duncan, Robert Rae and Richard Wilkinson.

Prior to the commencement of the meeting, the Chair introduced A Haseeb and S Lawton from Audit Scotland who will undertake the external audit function on behalf of the Council

1. Minutes

The Minutes of the meeting of the Committee held on 26 October 2006, copies of which had previously been circulated, were confirmed.

2. Annual Accounts 2005/06 - Audit Report

Submitted report by the Assistant Chief Executive (Finance) on the outcome of the audit of accounts for 2005/06 conducted by the former external auditors PricewaterhouseCoopers LLP.

Under the terms of The Local Government (Scotland) Act 1973, the Auditor, following the completion of an Audit of the Accounts, is required to place on the Accounts, a Certificate in such a form as the Accounts Commission may direct. The Auditor is also required to report to the Council, at the conclusion of the Audit, on significant matters which have arisen during the course of the Audit.

The report by PricewaterhouseCoopers LLP on the conduct of the 2005/06 audit was attached to the report. The Auditors' unqualified opinion was that the financial statements presented fairly the financial position of the Council as at 31 March 2006 and its income and expenditure for the year then ended. The report nevertheless identified a number of areas requiring attention and an action plan has been drawn up to address these areas. The 2005/06 Annual Accounts, complete with Audit Certificate will be presented to the Council on 12 December 2006.

Noted.

3. Interim Internal Audit Report 2006/07

Submitted report by the Assistant Chief Executive (Finance) on the outcome of the internal audit work carried out during the current financial year.

The aim of the internal audit section is to ensure that the Council maintains sound corporate governance and internal controls by independently examining and evaluating the operation of the Council systems and, where appropriate, identifying to managers opportunities for improving the internal control environment.

The Internal Audit Plan for 2006/07 was approved by the Committee on 17 May 2006 and provides for a range of audit work involving reviews of system controls, reviews of controls within operational units, regularity audits and forensic auditing.

The report summarised the internal audit work carried out to date in 2006/07 together with details of the latest follow-up exercise in respect of Services' responses to recommendations arising from previous Internal Audit work. Where recommendations have been made for improving the internal control environment, the responses from managers have been positive and there was a commitment to implementing these recommendations.

Noted.

The meeting ended at 2:50 p.m.