

Audit Committee



Date	Tuesday 17 June 2008
Venue	Town Hall, St. Annes
Committee members	Councillor John Singleton (Chairman) Councillor Keith Hyde (Vice-Chairman) Ben Aitken, Brenda Ackers, David Chedd, Cheryl Little, Louis Rigby,
Other Councillors	Councillor Linda Nulty
Officers	Phillip Woodward, Ian Curtis, Allan Oldfield, Joanna Scott, Savile Sykes, Andrew Wilsdon, and Peter Welsh.
Other Attendees	Richard Foster - KPMG

1. Declarations of interest

Members were reminded that any personal/prejudicial interests should be declared as required by the Council's Code of Conduct adopted in accordance with the Local Government Act 2000.

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Audit Committee meeting held on 3 April 2008 as a correct record for signature by the chairman.

3. Substitute members

The following substitutions were reported under council procedure rule 22.3:

Councillor David Chedd for Councillor Elizabeth Oades

Councillor Ben Aitken for Councillor Simon Renwick

Councillor Brenda Ackers for Councillor P. Rigby

Councillor Cheryl Little for Councillor John Coombes

4. Audit Commission Audit and Inspection Plan 2008/09

Richard Foster from KPMG presented proposals for the Audit Commission's audit and inspection work to be undertaken at the Council during the current financial year. Mr Foster informed the committee of the reasons for the increase in audit fees which were due to the additional work that would be undertaken in respect of health inequalities and the management of financial resources.

Following consideration the Committee RESOLVED to note the proposed audit and inspection plan for 2008/09.

5. KPMG Interim Audit Report

Richard Foster from KPMG presented a report that summarised the findings of the planning and interim audit work which had recently been undertaken by the Councils auditors KPMG.

The key areas for development were:- procedure notes for budget monitoring being documented and performance against budgets being discussed on a regular basis with responsible officers; a consistent approach for raising and authorising purchase orders being followed; all manual journals to be reviewed and authorised by an independent senior officer; all significant bank accounts to be reconciled on a monthly basis and the council tax and NNDR system to be reconciled to general ledger and exception reports reviewed, on a monthly basis.

The report also referred to their assessment of internal audit, which confirmed internal audit complied with the requirements of the Code of Practice for Internal Audit in Local Government.

The committee RESOLVED that the issues identified by KPMG, together with responses from Management Team be noted and be reviewed at the next meeting of the Audit committee.

6. IT Risk Assessment Action Plan Progress Update

Allan Oldfield, (Corporate Performance Executive Manager), provided the Committee with a progress update against the IT Risk Assessment Action Plan produced in 2007. The report was produced at the request of the Committee.

Details of events and changes in the IT service area over the last 12 months were also included in the report to provide members with a comprehensive understanding of the challenges faced by the IT section.

Following consideration the committee RESOLVED-

1. To recognise the progress made to date against the Risk Assessment Action Plan and note that at the time of producing the report only three of the nine target dates for the actions had passed.
2. That a further progress update report is presented to the committee in 6 months time.

7. Risk Management Annual Report

Andrew Wilsdon (Insurance and Risk Management Officer) presented a report that summarised the year end report on the 2007-2008 Risk Register Action Plans, the work undertaken by the Council's Insurance and Risk Management Officer in producing the Strategic Risk Register for 2008-2009 and the annual review of the Risk Management Strategy.

Following consideration the Committee RESOLVED:

1. That the year end report of the progress made on the 2007-2008 Risk Action plans be noted.
2. To approve the Strategic Risk Register for 2008-2009.
3. To approve the Risk Management Strategy.
4. That a further report be submitted in 6 months time.

8. Statement of Internal Control 2007/08

Savile Sykes (Head of Internal Audit) presented a report on the Statement of Internal Control 2007/08. The Audit Committee was charged with adopting the Statement of Internal Control and monitoring the progress in fulfilling the action plan.

The report provided details on the progress made to date in implementing the various actions to achieve improved internal control during 2007/08 and indicated areas where agreed actions had yet to be fully completed.

During consideration of the report Members expressed concern on the lack of progress on implementing arrangements for the central recording of complaints. The Chief Executive outlined the work which had taken place to evaluate and implement the proposals made and the suggestions from Executive Managers for revisions to the proposals for the recording of complaints and the reporting of these to the Committee.

The Committee RESOLVED to note the latest position with regard to each of the issues currently included on the Statement of Internal Control 2007/08 and further noted the revised arrangements and completion date for the recording of complaints.

9. Internal Audit Annual Report 2007-08]

Savile Sykes (Head of Internal Audit) presented a report that summarised the work undertaken by internal audit from April 2007 to March 2008 and performance information for that same period.

The report provided details of audit activity; reports issued; assurance of internal control; follow-up work; special investigations; speed of responses; stakeholder feedback; projects consultancy and advice together the internal audit assurance statement.

It concluded with an opinion on the soundness of the Council's internal control environment.

Following Consideration the Committee RESOLVED to approve the Internal Audit Annual Report.

10. Local Code of Corporate Governance

Ian Curtis (Legal Services Executive Manager) presented a report that updated members on the preparation of the Annual Governance Statement under the CIPFA/SOLACE framework for corporate governance.

Work was progressing under the code as drawn to allow the Annual Governance Statement to be presented to the next meeting of the committee on June 30.

The Committee RESOLVED to approve the local code of corporate governance.