

## Audit Committee



Date	Thursday 25 <sup>th</sup> June 2009
Venue	Town Hall, St. Annes
Committee members	Councillor John Singleton (Chairman) Councillor Linda Nulty (Vice Chairman) Councillors Ben Aitken, Fabian Craig-Wilson, Keith Hyde, Elizabeth Oades, Janine Owen
Other Councillors	Brenda Ackers
Officers	Tracy Scholes, Joanna Scott, Andrew Wilsdon, Ian Curtis, Dean Francis, Hazel Wood
Other Attendees	Richard Foster

### 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 30<sup>th</sup> April 2009 as a correct record for signature by the chairman.

### 3. Substitute members

The following substitutions were reported under council procedure rule 22.3:  
Councillor Brenda Ackers for Councillor Paul Rigby.

### 4. Audit Plan 2009/10

Richard Foster (KPMG) presented a report on the Audit Plan for 2009/10 where he outlined the proposed fee for the current financial year.

Following discussion the Committee RESOLVED to note the Audit plan for 2009/10.

### 5. Financial & Planning Management Review

Richard Foster (KPMG) introduced the report on the Financial & Planning Management Review. Richard outlined the five key areas the review specifically considered which are set out below:

- The robustness of arrangements for identifying and delivering a balanced budget for 2008/09 and beyond.
- An assessment of the Council's cash flow position in light of the current financial pressures being faced.

- The links between financial and service planning whilst delivering savings and improved performance outcomes.
- The use of risk management tools and different modeling techniques to help anticipate the impact on both financial and performance targets.
- The adequacy and timeliness of budget information provided to both budget holders and Members to support key decisions.

Joanna Scott, Deputy Section 151 Officer, was also in attendance and reported that the next stage in taking this report forward was to agree with KPMG appropriate actions and translate these into an Action Plan. This Action Plan would then come back before the Audit Committee at its next meeting.

Following discussion the Committee RESOLVED:

1. To note the report.
2. To add a further item into the Work Plan of the Committee for the September meeting to sign off the Action Plan for this piece of work.
3. Councillor Keith Hyde, Chairman of the Performance Improvement Scrutiny Committee, to consider the alignment of his future meeting dates to the issue of budgetary information to make the monitoring of this information more timely.

#### 6. Risk Management Annual Report

Andrew Wilsdon (Insurance and Risk Management Officer) introduced a report which summarised the year end report on the 2008-2009 Risk Register Action Plans, the work undertaken by the Council's Insurance and Risk Management Officer in producing the Strategic Risk Register for 2009 - 2010 and the annual review of the Risk Management Strategy. Andrew informed the committee that the report links principally to the Corporate Objective - "Delivering high quality cost effective services".

Following discussion the Committee RESOLVED:

1. To note the year end report of the progress made on the 2008-2009 Risk Action plans.
2. To note the Strategic Risk Register for 2009-2010.
3. To note the Risk Management Strategy and the committee to review again in January 2010.

#### 7. Internal Audit Annual Report 2008-09

Tracy Scholes (Director of Governance & Partnerships) presented a report which summarised the work undertaken by internal audit from April 2008 to March 2009 and performance information for the same period. It included an opinion on the soundness of the Council's internal control environment.

Following discussion the Committee RESOLVED:

1. To approve the annual report of the Head of Internal Audit.
2. To express disappointment that the overall implementation rate at 79 % represented a drop in previous performance
3. To identify a target date for table six of the report identifying High and Medium recommendations implemented.

#### 8. Effectiveness of the Audit Committee

Tracy Scholes (Director of Governance & Partnerships) introduced the report which presented the findings of a self assessment exercise undertaken by the Chairman and Vice Chairman of the Committee in relation to the effectiveness of the Audit Committee and made recommendations for improvement. The self assessment compared existing

arrangements with those advocated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their published advice.

Following discussion the Committee RESOLVED:

1. The Committee agreed to the findings of the self assessment of the effectiveness of the Audit Committee against the checklist provided by the CIPFA better governance forum in their publication 'A Toolkit for Local Authority Audit Committees' undertaken by the Chairman and Vice Chairman of the Committee.
2. The Committee recommended that the Council adopt the Statement of Purpose and Terms of Reference based on the full CIPFA model as set out in Appendix D of the report, incorporating amendments to reflect both the increased responsibilities already accorded to the Audit Committee and the Standards Committee's role in monitoring the members' Code of Conduct.
3. The Committee are to adopt the Training Programme set out in the report as the basis for enhancing the skills and experience of Audit Committee members.
4. The Committee resolved that all agenda papers are to be submitted sufficiently early to allow members reasonable time for preparation.
5. The Committee requires the Section 151 Officer or deputy to attend Audit Committee on a regular basis and at all times when financial or accounting business is to be considered, or where the need for advice on such matters may reasonably be anticipated.

#### 9. Annual Governance Statement

Ian Curtis (Head of Legal Services) introduced a report on the Annual Governance Statement prepared under the CIPFA/SOLACE framework the local code of corporate governance for approval.

RESOLVED:

1. To approve the Annual Governance Statement for signature by the chairman and review the plan at the September meeting of the Audit committee.
2. To bring forward a report to the September Committee outlining the actions to be taken during the course of the year to mitigate against the significant governance issues identified within the report

#### 10. Audit Committee Work Plan 2009-10

Tracy Scholes (Director of Governance & Partnerships) gave an overview of the proposed work plan for the Audit Committee during 2009-10.

Councillor Oades expressed concern in relation to the financial circumstances experienced by the Streetscene Business Unit during 2007/08 which was referred to at the last meeting of the Audit committee and requested that an item be added to the Work Plan to provide an explanation to the committee. Tracy Scholes reported that she believed that this would be beyond the remit of the Audit Committee and the Chairman endorsed this view.

In reaching the decision set out below, Councillor Oades moved and seconded by Councillor Aitken and RESOLVED:

1. That whilst the Committee recognised that the reasons relating to the financial circumstances experienced by the former Streetscene Department may fall out of the bounds of the remit of the Audit Committee, the Committee recommended that either it or the most appropriate committee be provided with a copy of the report prepared by the Chief Executive in relation to this matter in order that an explanation could be provided in the interests of transparency.

2. To approve the proposed work plan for 2009/10 with the addition of two items added during the course of this meeting for the September cycle.

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