

## Audit Committee



Date	Thursday 29 March 2007
Venue	Town Hall, Lytham St Annes
Committee members	Fabian Wilson (Chairman) Keith Hyde (Vice-Chairman) Christine Akeroyd, John Coombes, Paul Hayhurst, Elizabeth Oades, Simon Renwick, Ron Wilson
Other Councillors	
Officers	Phillip Woodward, Tracy Scholes, Savile Sykes, Andrew Wilsdon
Others	Mike Thomas, Gareth Winstanley, Mike Tye

### 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 4 January 2007 as a correct record for signature by the chairman.

### 3. Substitute members

Councillor Ron Wilson was substituting for Councillor John Longstaff.

### 4. Annual Audit and Inspection Letter

Mike Thomas (the Audit Commission's Relationship Manager for the Council) presented the Annual Audit and Inspection letter. Mr Thomas was accompanied by Mr Winstanley who had acted as the Audit Manager covering the Council over the last year. Mr. Thomas reported that the Council's Auditors in 2007/08 would be KPMG but in the meantime any residual Audit Commission activity would be managed by Mr. Tye.

The Annual Audit and Inspection letter was produced each year by the Audit Commission containing judgements on the Council's overall performance; its use of resources; its accounts and financial position; commentary on other inspection activity undertaken across the year and action required by the Council to maintain its improvement momentum.

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Mr. Thomas reported that the headline message was that the Council continued to improve services in areas which had been identified as priorities and were important to communities. These services included community safety, streetscene and the local environment. However, this strong performance was not uniformly the case in all areas therefore giving an overall picture of mixed performance with housing benefits and planning performance having been noted to have slipped during the course of the year. Mr. Thomas outlined that this report was presented to the elected members of the Council in order that they could be aware of areas of concern and continue to challenge this.

On the Use of Resources judgement contained within the report Mr Thomas outlined that although the overall assessment gave a score of a 2 out of a possible 4, there had been some improvements from the following year with both Internal Control and Value for Money now scoring a 3. However, financial reporting had dropped back from a 2 to a 1.

Mr Woodward (Chief Executive) outlined that he had prepared an Action Plan to address the points of concern outlined by the Audit Commission and this was to be discussed further by the Management Team. A copy of the Action Plan was provided to all members at the meeting. Mr. Thomas welcomed the fact that an Action Plan had been produced in order that the improvements required could be actioned at the earliest opportunity.

RESOLVED That the report from the Audit Commission be received and the Chief Executive and Management Team be requested to take the actions outlined in the report to enhance the improvement momentum further

### 5. Internal Audit Plan 2007/08

Savile Sykes (Head of Internal Audit) presented the Internal Audit Plan for 2007/08 for approval.

Mr Sykes outlined that the main purposes of internal audit planning were:

- To determine priorities
- To assist in the direction and control of audit work
- To help ensure work is completed within a pre-determined target

It was explained that the detail of the planned activity is agreed in advance of each year by the Section 151 Officer (Mr White) and the Council's Management Team. Mr Sykes went on to explain about the audit universe; the application of a risk assessment process to activity together with how resources were allocated to activity over a five year period.

RESOLVED

That the Committee approves the Annual Internal Audit Plan for 2007/08

### 6. Statement on Internal Control

Savile Sykes (Head of Internal Audit) reported on the Statement on Internal Control and associated Action Plan. He reminded members that the Council was required to carry out a review of its control environment at least once a year and to publish a Statement on Internal Control (SIC). An action plan to remedy any weaknesses in control was prepared and Mr Sykes reminded members that this had been presented to the Committee at its previous meeting.

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At the last meeting members had requested a further report updating the Action Plan and the report before members presented the performance picture to date. Mr Sykes provided a further verbal update that since the publication of the agenda, a number of actions had been updated and he provided an overview of this. Actions 1, 3, 9 and 11 would be completed by the end of March 2007. Action 4 had a revised target date of July 2007, which confirmed the reporting requirements set by the Cabinet at its March meeting. Action 6 had now had a 50 per cent completion rate with arrangements in hand for the remaining four Business Units to have their operational risk registers in place.

Following debate the Committee RESOLVED the following:

To note the latest position with regard to each of the issues currently included on the Statement on Internal Control 2006/07

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