

Audit Committee

Thursday, 21 June 2007

Present: Councillor Anthony Gee (Chair), and Councillors Alan Cain and Magda Cullens.

Officers Present: Gary Hall (Director of Finance), Andrew Docherty (Director of Customer, Democratic and Legal Services), Garry Barclay (Audit and Risk Manager), Andy Armstrong (Assistant Audit Manager) and Steve Pearce (Assistant Head of Democratic Services)

Also in attendance: Mike Thomas and Tony Hough (Audit Commission)

07.AU.01 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Michael Devaney, Keith Iddon and Mary Wilson.

07.AU.02 DECLARATIONS OF ANY INTERESTS

No declarations of interest were received.

07.AU.03 MINUTES

RESOLVED – That the minutes of the meeting of the Audit Committee held on 29 March 2007 be confirmed as a correct record for signing by the Chair.

07.AU.04 AUDIT COMMITTEE PROGRAMME

The Director of Finance submitted a schedule giving details of the draft Audit Committee Programme for 2007/08. The programme provided details of the items to be submitted to future meetings of the Committee by the Audit Commission, the Internal Audit Service and other Council Departments, together with training and awareness items to be delivered prior to each committee meeting.

The Chair commended the content of the schedule and indicated that the Committee members would actively support the audit function in order to ensure that the corporate governance framework was delivered by the Council as part of its efforts to strive for excellence in the delivery of its services. He hoped that the members and officers would continue to have a close working relationship with the Audit Commission.

RESOLVED – That the Audit Committee Programme for 2007/08 be approved.

07.AU.05 EXTERNAL AUDIT AND INSPECTION PLAN 2007/08

Mike Thomas from the Audit Commission submitted the Audit and Inspection Plan for 2007/08 which set out the details of the audit and inspection work that the Commission propose to undertake for the Council during the current financial year. The plan had been drawn up from their risk - based approach to audit planning and the requirements of Comprehensive Performance Assessment (CPA), which reflected:

- audit and inspection work specified by the Audit Commission for 2007/08
- current national risks relevant to local circumstances
- local risks and improvement priorities

Mr Thomas summarised the content of the plan and highlighted the proposals for a Audit Committee development workshop which could be provided for the Council in

conjunction with other local authorities, as part of the voluntary improvement work the Commission could undertake.

He commented that the Council would be well placed to apply for a recategorisation of its CPA assessment during 2007/08 and that there would be a separate fee for this work. He also referred to the informal advice provided to the Council through good practice reports on different management issues as part of its annual business cycle.

RESOLVED 1. That the Audit and Inspection Plan be noted
2. That the Audit Commission submit details of the Audit Committee development workshop proposals to the Director of Finance for consideration.

07.AU.06 INTERNAL AUDIT ANNUAL REPORT 2006/07

The Director of Finance submitted a report summarising the work under taken by the Internal Audit Service during the 2006/07 financial year. The report also indicated that the Council in general continues to operate within a sound control environment and highlighted the following achievements and developments within the Internal Audit service:

- Annual Governance Statement - facilitating the process leading to the publication of the Statement.
- Use of Resources - improved scores for Key Line of Enquiry (KLOE) 4 - Internal Control and an aggregate score of 3 indicating that the authority is performing well in this area.
- Management of Partnerships and Partnering Contracts - Reviewing the Council's current arrangements and producing a new corporate Framework for Partnership Working
- Strategic Risk Register - facilitating the revision of the Register to align it with the Corporate Strategy and the Business Improvement Planning process.
- Insurance - revising all the Council's insurance policies to take account of the housing stock transfer and the procurement of additional specialist covers.
- Health and Safety - Establishing a new service level agreement with Bolton Council for the supply of the Council's Health & Safety service

RESOLVED – That the report be noted

07.AU.07 ANNUAL GOVERNANCE STATEMENT

The Director of Finance submitted a report which incorporated a copy of the draft Annual Governance Statement which had been produced in accordance with the new CIPFA / SOLACE guidelines and the new regulatory framework requiring the Council to continuously review its system of governance and internal controls and, to publish an annual statement alongside its annual financial statements.

The new guidelines and framework only become mandatory in 2008/09 but the Council had elected to produce the Annual Governance Statement for 2006/07 rather than the Statement on Internal Control.

The Statement provided details of the actions that will be taken to address all the improvement opportunities that have been identified in the corporate self-assessment,

directorates assessments and review of the system of internal audit. These actions will be fed into the Business Improvement Plans of the directorates concerned.

RESOLVED – 1 That the Annual Governance Statement be approved and that a progress report on the implementation of the improvement opportunities be submitted to each meeting of the Committee.

2. That the approved Statement be formally signed off by the Leader of the Council and Chief Executive before being submitted for external audit as part of the 2006/7 financial statements.

07.AU.08 ANNUAL ACCOUNTS 2006/07

RESOLVED – That the Annual Statement of Accounts for 2006/07 be considered at a meeting of this Committee to be held on 28 June 2007 commencing at 5.00pm.

Chair