

CHORLEY BOROUGH COUNCIL

Audit Committee

9 January 2006

Present: Councillor T McGowan (Vice-Chair) in the Chair and Councillors P Goldsworthy, G Russell, R Snape and J Wilson

06.AU.01 APOLOGIES FOR ABSENCE

Apologies for absence were received by Councillor Lennox (Chair), Ball and Case.

06.AU.02 DECLARATIONS OF ANY INTEREST

No Members declared an interest.

06.AU.03 MINUTES

RESOLVED – That the minutes of the meeting of the Audit Committee held on 11 July 2005 be confirmed as a correct record and signed by the Chair.

06.AU.04 INTERIM REPORT ON INTERNAL AUDIT ACTIVITIES AS AT 9TH DECEMBER 2005

The Director of Finance submitted an interim report of the work undertaken in respect of the Annual Audit Plan during the first, second and third quarters of 2005/06 and provided details on further review investigations and other Internal Audit activities during the period.

An appendix to the report gave an assessment and rating on the adequacy of the controls for each of the systems examined by the Internal Audit Section during the period

The report highlighted a number items of work that were being looked at by the Internal Audit Service in a wide range of areas across the Authority that fell under the following headings.

- Main Financial & Other Significant Systems
- Reviews into Key Business Risk Areas
- Audit Specialisms
- Work in Progress.

Under Audit Specialisms concern was expressed over the accuracy of the Best Value Performance Indicators.

The Review of Best Value Performance Indicators (BVPI's) was given an Assurance rating of Limited. The indicators to be reviewed were selected using a selection criteria agreed with the Audit Commission. This resulted in the selection of 15 separate BVPI's covering a range of Units for scrutiny. In only 4 cases could the figure be verified as accurate and free from interpretation. In all remaining cases the figure required some kind of amendment or alteration.

The report contained a number of recommendations to effectively address the control weaknesses identified and to ensure that improvements in procedures are

implemented for the accurate capture of data and calculation of figures for the current financial year.

The Committee expressed their concern about the cost of regulation and assurance was sought that the Council uses its limited resources to best effect in terms of gathering and validating the data. Assurances were given that with respect to the audit input there is a risk-based approach that targets areas to be targeted.

The issue was raised in respect of the Council's approach to partnership arrangements and whether any audit work would be undertaken in this area. The Director of Finance informed the Committee that the initial audit planning work for 2006/07 had identified this area as requiring some audit input and would be dealt with as part of the 2006/07 plan.

RESOLVED – That the report be noted.

06.AU.05 AUDIT COMMISSION ITEMS

(a) Civil Contingencies

The Audit Committee submitted a report on the new requirements of the Civil Contingencies Act in relation to Chorley Borough Council.

Local Authorities have seven main duties:

- risk assessment;
- business continuity management ;
- emergency Planning;
- maintaining public awareness and arrangements to warn, inform and advise the public;
- promotion of business continuity management to the commercial sector and to voluntary organisations;
- co-operation; and
- information sharing.

A self-assessment checklist based on the 'self-assessment tool: local authority emergency planning and business continuity' was used to approach this audit.

Chorley Borough Council had responded to the Civil Contingencies Act and had updated their Emergency Plan and developed a Business Continuity Plan. The main elements to comply with the Act appear to be in place or under development.

Some areas of improvement were identified with recommendations given in the form of an Action Plan.

**RESOLVED – 1. That the report be noted.
2. That the recommendations be actioned by the Head of Customer, Democratic and Office Support Services by the required date.**

(b) Other Work in Progress

Mr G Kelly of the Audit Commission gave a verbal report outlining a number of other activities that they were working on with the Authority, these included;

- Performance Indicators Report
- Performance Management Update
- Early closedown of the 2005/06 Accounts

The Authority's Direction of Travel was already in draft form and talks were currently taking place with Senior Management Group on whether to publish at this stage.

Continuous work was being made on the Annual Audit Inspection on which they were hoping to report back on 6 March 2006.

Other work included the steps being taken to minimise the impact of the new International Standards of Auditing that were being imposed on the Audit Commission.

Chair