

REPORT OF AUDIT COMMITTEE

General Report

1. This report summarises briefly the principal elements of the items discussed at the meeting of the Audit Committee held on 14 January 2010.

Annual Audit Letter, 2008/09

2. The Engagement Lead and the Temporary Audit Manager from the Audit Commission attended the meeting to present the Annual Audit Letter, which summarised the findings of the Audit Commission's audit of the Council's accounts for 2008/09 and its assessment of the authority's arrangements to secure value for money in its use of resources.
3. The Audit Commission have issued both an unqualified opinion on the Council's financial statements for 2008/09 and an unqualified conclusion on the Council's value for money arrangements. We have been awarded the maximum overall score of 4 for the Council's use of resources in recognition of the authority's excellent performance in demonstrating innovative practices in the delivery of positive outcomes for the local community. This also recognises the skills and competencies of Members and Officers in managing and utilising the Council's resources wisely and targeting those resources to appropriate priority areas.
4. The authority's commendable achievement can be shared as best practice with other authorities and we will be liaising with the Audit Commission with a view to sharing our experiences and achievements with other authorities.
5. The Committee welcomed the report and expressed its appreciation to all of the Council's staff for their continuing commitment and efforts to maintain a high level of service delivery.

Use of Resources Report, 2008/09

6. The Committee received and considered the Audit Commission's report on its assessment of the Council's management and use of resources to deliver value for money and sustainable outcomes for local people.
7. We were pleased to note that the Council has been awarded the maximum score of 4 for its use of resources in recognition of the authority's overall excellent performance. This is particularly commendable when considering that the assessment entailed a more stringent test than previous years, with a stronger focus on the achievement of positive outcomes.
8. Chorley Council is one of only two District Councils, and five authorities nationally, to achieve the top score of 4.

Organisational Assessment, 2009

9. The Committee considered the Organisational Assessment report published by the Audit Commission in December 2009 to inform and complement the Comprehensive Area Assessment report. The assessment examined how the Council measures and takes action to achieve its corporate priorities and how it continually monitors and reviews performance to ensure that services are improved, whenever necessary, to achieve the priority objectives.
10. The Council's performance has been rewarded with a maximum score of 4 for its management of performance. The auditors are satisfied that the Council is providing high quality services and delivers the priorities that local people have identified as important. The report referred to the challenges facing the Council and its partners, in areas such as housing and health, but accepts that work is proceeding to address the issues.

Strategic Risk Update Report

11. The Head of Shared Assurance Services presented the Committee with a progress report on the implementation of the projects and actions contained in the projects and actions aimed at addressing the risks and opportunities identified in the 2009/10 Strategic Risk Register.
12. The report details the risks and opportunities to the achievement of the Council's strategic objectives and the actions planned to mitigate the risks. A separate appendix identifies the current status of the planned actions, which shows that the vast majority are on track, are being managed effectively and are, thus, rated 'green'. Only four strategic risks have been rated 'amber', but corrective action has been put in place to bring these projects back on track.
13. The Strategic Risk Register is currently being reviewed to identify both the risks that can reasonably be deleted and other risks associated with new projects that should be included on the Register.

Internal Audit – Interim Report on 2009/10 Activities

14. The Head of Shared Assurance Services submitted the second interim report on the progress of the work undertaken on the Annual Internal Audit Plan between April and November 2009.
15. Appendices to the report provide both a general summary of the overall progress made in relation to the 2009/10 Internal Audit Plan, together with a more detailed analysis of the projects undertaken to date. We accepted that the Audit Plan needs to be flexible and capable of altering priorities according to circumstances and adding new audit projects as necessary.

16. The Committee accepted the report and agreed to the deferment of the planned Audit reviews of Contract Standing Orders, Asset Management, the Refuse Collection/Recycling Contract and Equality and Diversity issues to the 2010/11 Audit Plan. A number of these audit subjects has already been included in other recent assessments or reviews and the postponement of the audit of the Refuse Collection/Recycling contract will allow a sufficient operating period before a meaningful review of the contract. The reviews will, however, be given priority in the 2010/11 Audit Plan.

Recommendation

17. The Council is recommended to note this report.

COUNCILLOR ANTHONY GEE
Chair of the Audit Committee

There are no background papers to this report.

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