

Audit Committee

Thursday, 30 September 2010

Present: Councillor Anthony Gee (Chair) and Councillors Magda Cullens, Alan Platt and Geoffrey Russell

Officers Present: Gary Hall (Director of Transformation), Susan Guinness (Head of Shared Financial Services), Garry Barclay (Head of Shared Assurance Services), Clare Ware (Shared Financial Services Internal Audit Manager), Jan Minchinton (Principal Auditor (Chorley)), Lindsay Roberts (Auditor), Chris Moister (Head of Governance) and Tony Uren (Democratic and Member Services Officer)

Also in attendance: Fiona Blatcher (Engagement Lead, Audit Commission)

10.AU.58 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of the Vice-Chair (Councillor Laura Lennox) and Councillor Judith Boothman.

10.AU.59 DECLARATIONS OF ANY INTERESTS

There were no declarations of interest in any of the meeting's agenda items by any of the Committee members.

10.AU.60 MINUTES OF LAST MEETING

The minutes of the last meeting of the Audit Committee held on 30 June 2010 were confirmed as a correct record for signature by the Chair.

10.AU.61 STATEMENT OF ACCOUNTS FOR 2009/10

The Director of Transformation presented a report seeking approval of the Audited Statement of Accounts for 2009/10, following the Audit Committee's initial endorsement of the Accounts at its meeting on 30 June 2010.

Only a few minor adjustments and corrections had been made to the Accounts at the instigation of the Audit Commission, none of which would affect the level of reserves and balances available to the Council.

In answer to a Member's query, the Director of Transformation explained the operation of the Local Authority Pension Fund and a discussion ensued on potential means of reducing the continuing deficit in the Fund.

The Director of Transformation commended his staff in the production of the Statement of Accounts for the past financial year ahead of the target date.

RESOLVED – That the revised Statement of Accounts for 2009/10, in the form as now presented, be approved for signature by the Executive Leader, the Chair of the Audit Committee and the Director of Transformation.

10.AU.62 ANNUAL GOVERNANCE REPORT FOR 2009/10

The Committee received the Audit Commission's Annual Governance Report which summarised the Commission's substantially complete audit of the Council's 2009/10 Statement of Accounts and the authority's value for money arrangements.

The issues identified by the Commission during its audit of the Accounts related mainly to classification issues and disclosure notes. A number of minor alterations and corrections to the Accounts had been suggested by the auditors, none of which impacted on the overall financial position of the Council.

The Audit Commission had also been required to assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Whilst the auditors were no longer allowed to issue a "value for money" scoring, the Audit Commission commended the authority's continued strong performance in that field in that significant efficiencies had been achieved alongside increases in customer satisfaction scores.

The Committee acknowledged the Commission's reference to the challenges facing the Council, and the public sector as a whole, in the light of the comprehensive spending review.

In conclusion, the Audit Commission's report indicated its expectation to issue both an unqualified opinion on its audit of the Council's Statement of Accounts for 2009/10 and an unqualified conclusion on the authority's value for money arrangements.

RESOLVED – That the Governance Report for 2009/10 be noted and that the letter of management representation, confirming the validity of information supplied to the Auditors, be approved for signature by the Chair of the Audit Committee and the Director of Transformation.

10.AU.63 NATIONAL FRAUD INITIATIVE

The Committee received a report of the Head of Shared Assurance Services which demonstrated the authority's compliance with and effective contribution to the 2008/09 National Fraud Initiative (NFI).

The NFI was being co-ordinated by the Audit Commission as a mechanism to assist the detection of fraud, overpayments and arrears. Over 1300 public and private organisations were participating in the initiative, which compared and matched relevant data within and between organisations within a robust legal framework.

The report was complemented by a Members' Briefing note which provided an overview and examples of the key aspects of the initiative, together with a checklist developed and compiled by the Internal Audit Section to help Members understand and assess the Council's approach to NFI.

The Director of Transformation stressed that the detection of any fraudulent practices occurred only rarely, but reminded the Committee that the initiative would encompass the monitoring of Councillors' data.

RESOLVED – That the report be noted.

10.AU.64 INTERNAL AUDIT PLAN FOR 2010/11 - INTERIM REPORT FOR PERIOD UP TO 31 JULY 2010

The Committee received and considered a report of the Head of Shared Assurance Services on the progress of the work undertaken in respect of the 2010/11 Annual Audit Plan up to 31 July 2010.

Appendices to the report provided both a general summary of the overall progress made in relation to the Internal Audit Plan, and a more detailed analysis of the projects undertaken to date. A separate appendix gave information on the performance of the Internal Audit Section during the same period, confirming the action required in instances where targets had not been met.

The report also referred to the potential impact on the Internal Audit function of the Coalition Government's recent announcements to abolish Comprehensive Area Assessments (CAA), Use of Resources assessments and the Audit Commission from 2012.

RESOLVED – That the report be noted.

Chair