

AUDIT COMMITTEE

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10 March 2005

Present: Councillor Lennox (Chair), Councillors McGowan (Vice-Chair), Bell, Mrs Case, Goldsworthy, Russell, R Snape and J Wilson.

05.AU.04 MINUTES

RESOLVED – That the minutes of the meeting of the Audit Committee held on 13 January 2005 be confirmed as a correct record.

05.AU.05 ANNUAL INTERNAL AUDIT PLAN 2005/06

The Acting Director of Finance submitted the Annual Internal Audit Plan for 2005/06 setting out the priority areas to be reviewed during the new financial year.

The report indicated that the traditional approach to organising audit work involved the production of a Strategic Audit Plan covering a 3 to 5 year period. Latest CPFA Code of Practice for Internal Audit recommended the compilation of an Annual Audit Plan each financial year to review the key business risks that are pertinent to the Council at the time.

The Internal Audit Plan for 2005/06 was structured into the following sections:

- Corporate Governance
- Risk Management
- Main Financial Systems
- Business Risk Areas
- Effectiveness/Best Value Audit
- Information Technology Audit
- Contracts Audit
- Contingency

The report reminded the Committee of the role of the Audit Section and the range of work planned in order to reassure members that the internal audit arrangements in Chorley remained sound and effective.

The Internal Audit Plan for 2005/06 was based on a resource of 640 Audit days and was the number of chargeable days available within the existing budget and comprised of a mix of in-house and bought in resources from Lancashire Audit Services.

RESOLVED – That the 2005/06 Internal Audit Plan be approved and the Executive Cabinet be recommended its adoption.

05.AU.06 CORPORATE GOVERNANCE

The Committee received from the District Auditor a report on the review that had been undertaken in July to August 2004 of the Council's corporate governance arrangement, setting out the findings and the key development areas in respect of the five themes set out within the CPFA and SOLACE framework.

The report indicated the findings of the self-assessments on each of the key governance dimensions in terms of policy, procedures and structures as well as the effectiveness of these arrangements.

RESOLVED – That the report be noted.

05.AU.07 BEST VALUE PERFORMANCE PLAN AND BEST VALUE PERFORMANCE INDICATORS REPORT

The Committee received from the District Auditor a report on the matters that had arisen from the audit of the Council's Best Value Performance Plan (BVPP) and the Best Value Performance Indicators (BVPI's) for the 2003/04 financial year.

Under the Local Government Act 1999 Best Value Authorities are required to publish a Best Value Performance Plan each year setting out an assessment of current performance and targets for improvement.

Auditors are also required by the Code of Audit Practice to review Best Value authorities' systems for producing specified performance information.

The findings of the review indicated that the authority was compliant in all significant areas and followed statutory guidance. The systems for producing and reporting on performance information were in place and were effective overall, however a number of inaccuracies that the District Auditor and Internal Audit had identified suggested that these systems needed to be strengthened.

RESOLVED – That the report be noted.

05.AU.08 OPINION MEMORANDUM 2003/04

The Committee received from the District Auditor a report summarising the matters that had arisen from the audit of the Council's core processes and accounts for the year ended 31 March 2004.

It was the responsibility of the Council's external auditors to form an independent view on the accounts and to issue an opinion as to whether they present fairly the financial position of the Council.

The key issues that had arisen from the audit were summarised in the report and the detailed matters arising, set out in an Action Plan.

RESOLVED – That the report be noted.

Chair