

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: Thursday 29 June 2006

Present: Councillor E B Briggs (in the Chair);
Councillors D Ashworth, P Ashworth, K Audin,
Y Cresswell, D O'Hanlon, K Rothwell and B Vincent
Mr K Wainwright (Co-Opted Member)

Public Attendance: No members of the public attended the meeting

Apologies for Absence: Councillor A Matthews

AU.180 DECLARATIONS OF INTEREST

Councillor Rothwell declared a personal interest in Item 8 – Statement of Accounts.

AU.181 PUBLIC QUESTION TIME

There were no members of the public present to ask questions at the meeting.

AU.182 MINUTES OF THE LAST MEETING HELD ON TUESDAY, 21 MARCH 2006

Delegated decision:

That the minutes of the meeting held on 21 March 2006 be approved as a correct record and signed by the Chair.

AU.183 FUTURE MEETINGS OF THE AUDIT COMMITTEE

It was explained that due to deadlines of reports, the previously agreed dates of the Audit Committee would need to be changed.

It was agreed

That Officers of the Authority would liaise with Officers from KPMG and Members of the Audit Committee to come up with suitable alternative dates.

AU.184 INTERNAL AUDIT ANNUAL REPORT

The Head of Audit and Risk Management presented a report summarising the work that had been undertaken by the Internal Audit Section in the Financial Year 2005/2006 and comparing it to the Audit Plan for the year.

The report assessed overall performance against the original plan, detailed the activities of Internal Audit during 2005/2006 and gave an opinion of the adequacy and effectiveness of systems and controls based on the work carried out through the year and the sections accumulated knowledge of the systems and the control framework within the Authority.

It was explained that when planning for 2005/06 the section had identified 150 separate auditable areas within the Council's four Directorates. The section had selected 100 areas for attention during the year, which had been fully achieved.

The Section had issued 200 reports and over 500 recommendations had been made most of which were accepted for implementation with no serious disputes arising.

The quality of the work had been confirmed in the Review of Internal Audit that had been conducted by the external auditors. The review had concluded that "Internal Audit is an integral part of Bury MBC and contributes to the overall control arrangements".

Members were invited to comment and question the contents of the report.

Councillor Diana Ashworth congratulated the Head of Audit and Risk Management on the standard of the Internal Audit reports and explained that she has found them easy to read written in plain English, and very informative.

A question was raised on how effective the Audit Section were when following up recommendations.

It was explained that the recommendations are usually well received and implemented. The Audit Committee were also informed that they could ask for officers to attend meetings to outline their progress on implementing recommendations, should this be considered necessary.

Councillor Rothwell asked whether the issues that were highlighted when dealing with the migration work had been recorded and made available to other sections dealing with their own system migrations. It was explained that this was the case.

Councillor Diane Ashworth asked where the Gershon efficiency savings fit in with the audit process.

It was explained that the External Audit Plan included the Gershon savings as part of its audit and had done for the previous three years.

Delegated decision

1. That a joint report from Internal and External Audit on efficiency be brought to the next meeting of the Audit Committee.
2. That the conclusions in the report be accepted.

AU.185 STATEMENT ON INTERNAL CONTROL

The Director of Finance and E-Government introduced a report setting out the Statement on Internal Control. The statement was an essential element of the framework by which the obligations under S151 of the Local Government Act 1972 were discharged. The Statement outlined various elements of the control framework which provides assurance that key controls are operating to an acceptable standard.

The Statement was a statutory requirement that must be submitted in support of The Statement of Accounts.

Delegated decision:

That the Statement on Internal Control be approved.

AU.186 STATEMENT OF ACCOUNTS 2005/2006

The Director of Finance and E-Government presented a report submitted by the Executive Member for Quality Council (Resource and Performance) on the Statement of Accounts 2005/2006. A presentation was given at the meeting setting out the key messages from the draft Statement of Accounts. It was explained that the draft Accounts summarise the Council's financial performance during the year and set out its assets and liabilities.

The Statement of Accounts 2005/2006 was appended to the report and contained the Consolidated Revenue Account, the Housing Revenue Account, the Collection Fund, the Consolidated Balance Sheet, the Statement of Total Movements in Reserves, the Cash Flow Statement. The Statement of Responsibilities and the Statement on Internal Control.

Delegated decision:

1. That the Statement of Accounts for the 2005/2006 Financial Year be approved in line with the provisions of the Accounts and Audit Regulations 2003.
2. That the financing of the Capital Programme as outlined in Note 4 of the Consolidated Balance Sheet be approved.
3. That the Director of Finance and E-Government and the Members of Staff involved with preparing the Statement of Accounts 2005/2006 be thanked for their hard work.

AU.187 EXTERNAL AUDIT PROGRESS STATEMENT

A report setting out the progress of the ongoing work of KPMG was submitted to the Committee.

It was agreed:

That the contents of the report be noted.

AU.188 AUDIT AND INSPECTION PLAN

A plan setting out the audit and inspection work that the Audit Commission and KPMG propose to undertake in 2006/2007 was submitted. The plan had been drawn up from the risk-based approach to audit planning and the requirements of the new Comprehensive Performance Assessment CPA – the harder test.

It was explained that the external auditors when carrying out their audit and inspection duties had to comply with the statutory requirements governing them.

- The Audit Commission Act 1998 and the Code of Audit Practice with regard to audit; and
- The Local Government Act 1999 with regard to best value inspection and audit.

It was agreed:

That the contents of the plan be noted.

AU.189 EXCLUSION OF PRESS AND PUBLIC

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item of business since it involved the likely disclosure of exempt information relating to any action taken, or to be taken in connection with the prevention, investigation and prosecution of crime.

AU.190 INTERNAL AUDIT PROGRESS REPORT

The Head of Audit and Risk Management submitted a report which provided an update for Members on the work currently being carried out by Internal Audit, and progress against the Annual Plan. Details of the work done and Audit Reports issued were provided and significant items were highlighted.

Delegated decision:

That the contents of the report be accepted as the report helps the Council fulfill its statutory obligations under the Accounts and Audit Regulations 2003 (Amended 2006).

COUNCILLOR E B BRIGGS
Chair

(The meeting started at 7.00 pm and ended at 8.15 pm)