

<b>Minutes of:</b>	<b>AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	Wednesday 19 September 2007
<b>Present:</b>	Councillor D Higgin (in the Chair); Councillors C Berry, A J Garner, D O'Hanlon, S Penketh, K Rothwell and R E Walker.
<b>Public Attendance:</b>	No members of the public attended the meeting
<b>Apologies for</b>	Councillors K Audin (cl) A J Garner (cl) and A Matthews (cl)
<b>Absence:</b>	Mr A Brown (Co-Opted Member)

#### **AU.286 DECLARATIONS OF INTEREST**

Councillor Rothwell declared a personal interest in item 11 – Final Statement of Accounts.

#### **AU.287 PUBLIC QUESTION TIME**

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

#### **AU.288 MINUTES OF THE MEETING HELD ON TUESDAY 28 JUNE 2007**

##### **Delegated decision:**

That the minutes of the meeting held on 28 June 2007 be approved as a correct record and signed by the Chair.

#### **AU.289 RISK MANAGEMENT - TRAINING SESSION**

David Hipkiss, the Risk and Special Projects Manager gave a presentation explaining the role and purpose of risk management within Bury MBC.

The presentation set out the following:-

- 1 What is Risk Management?
- 2 Why is Risk Management Important?
- 3 What steps have Bury taken?
- 4 How does Risk Management work in practice?
- 5 Where do Councillors fit into Risk Management?

Members were given the opportunity to comment and ask questions on the area of Risk Management and some Members referred to specific areas of risk throughout the organisation and asked for confirmation that those were included within the risk register.

**It was agreed:**

That David be thanked for his presentation.

**AU.290 GIFTS AND HOSPITALITY**

The Head of Strategic Finance presented a report giving Members an update on the system to declare, monitor and report gifts and hospitality offered to or received by staff.

The report presented a summary of declarations made for the period March to July 2007.

It was explained that the system was web based and allowed employees to declare offers of and receipt of gifts and hospitality. It was reported that there was also a web based system that allowed Members to declare gifts and hospitality.

A breakdown of the declarations made between March and July 2007 was included within the report and showed that there had been a total of 46 declarations made with an average value of £21.

**Delegated Decision:**

1. That Members affirmed their support for the importance of registering gifts and hospitality.
2. Members endorsed the current approach for declaring offers of gifts / hospitality.
3. The declarations made to date were noted.

**AU. 291 REVIEW OF GOVERNANCE STATEMENT / STATEMENT ON INTERNAL CONTROL**

The Head of Strategic Finance presented a report updating Members on issues relevant to the 2006/2007 Governance / Statement on Internal Control which had been accepted at the last meeting of the Audit Committee on 28 June 2007.

It was explained that the purpose of the statement was to provide a continuous review of the effectiveness of the authorities' internal control

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and risk management systems, so as to give an assurance on their effectiveness.

The report followed up specific actions highlighted within the Statement presented to Members in June, it detailed the continuous monitoring that had taken place and highlighted any relevant issues.

The report gave an assurance and provided evidence that the Council reviewed its internal control/governance mechanisms on a continuous basis.

It was explained that no significant control weaknesses had been identified in the year to date and that the control environment would continue to be monitored throughout the year with the Audit Committee receiving regular updates.

**Delegated Decision:**

That the contents of the report be noted.

**AU.292 FINANCE AND PERFORMANCE MONITORING 2007/08 – MONTH 3**

The Director of Finance and E- Government presented a report updating Members of the Audit Committee on the authority's financial and performance position in line with the Committee's Statement of Purpose to 'provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment'.

The report showed that the authority was projecting an overspend of £593,000 for the year based on spending and income information at 30 June 2007, however, the overspend could be accommodated within General Fund balances without breaching the Golden Rules, it was explained that therefore the position was not seen as a major risk to the achievement of the authority's ambitions and priorities.

**It was agreed:**

That the contents of the report be noted.

**AU.293 EXTERNAL AUDIT PROGRESS STATEMENT**

Heather Thornton representing KPMG presented a report updating Members on the ongoing work of KPMG.

**Delegated decision:**

That the contents of the report be noted.

#### **AU.294 EXTRACT FROM ISA 260**

Heather Thornton and Jillian Burrows presented a report (Audit Memorandum) setting out the key issues identified during the course of their audit of the financial statements of the year ended 31 March 2007. The findings were divided into three parts:-

- Use of Resources
- Accounts and Statement on Internal Control

Appended to the report were the proposed audit report, proposed value for money opinion, audit differences, 2006/07 performance improvements observations, follow-up of 2005/06 performance improvement observations, audit reports produced in 2006/07, ISA 260 Declaration of independence and objectivity, the audit fee and Whole of Government - proposed audit report.

#### **It was agreed:**

That the contents of the report be accepted.

#### **AU. 295 FINAL STATEMENT OF ACCOUNTS**

Andrew Baldwin presented a report outlining the 2006/2007 Statement of Accounts which had been approved by the Audit Committee at its meeting on 28 June 2007.

The accounts had been updated to reflect a number of amendments that had been made following the completion of the audit by KPMG. The relevant pages reflecting the amendments were appended to the report.

One approved, the updated Statement of Accounts would be posted on the Council's website, together with a summary report of the Council's financial and performance results, and feedback questionnaire. A notice would be placed in the Bury Times and printed copies of the accounts would be available from libraries and Council offices.

The Director of Finance and E-Government thanked all staff involved with the preparation of the accounts and also thanked KPMG for the diligent and courteous manner in which they had discharged their duties.

#### **Delegated decision:**

1. That the amendments to the Accounts recommended by KPMG be approved.
2. That the final version of the Statement of Accounts for the 2006/2007 financial year be approved in line with the provisions of

the Accounts and Audit Regulations 2003.

3. That the matters and issues arising from the audit and contained within the ISA 260 Financial Statement report be noted.

**AU.296 CHANGE OF DATE OF JANUARY 2008 MEETING**

It was explained that the January 2008 meeting needed to be moved to a date in December 2007.

Members were asked to discuss alternative dates for the meeting to be moved to.

Following the relevant consultation, the Democratic Services Officer would contact all relevant Members once a suitable date had been identified.

**AU. 297 EXCLUSION OF PRESS AND PUBLIC**

**Delegated decision:**

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 items of business since they 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.298 INTERNAL AUDIT PROGRESS REPORT  
(E)**

The Head of Internal Audit 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 noted

**AU.299 INTERNAL AUDIT REPORTS – MEMBERS’ FEEDBACK  
(E)**

The Head of Internal Audit submitted a report which provided feedback to Members by responding to specific issues raised in relation to Audit reports and queries.

**Delegated decision:**

That the contents of the report be noted.

**COUNCILLOR D M HIGGIN**  
**Chairman**

**(The meeting started at 7.00 pm and ended at 9.30 pm)**