

**Minutes of:                   AUDIT COMMITTEE**

**Date of Meeting:** 4 September 2014

**Present:** Councillor E FitzGerald (in the Chair)  
Councillors P Heneghan, Mallon, S Nuttall, K Rothwell,  
R Walker and Whitby

**Also in attendance:** A Langan - KPMG

**Public Attendance:** No members of the public were present at the meeting.

**Apologies for Absence:** Councillor M Bailey and Councillor N Parnell

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**AU.215       DECLARATIONS OF INTEREST**

Councillor Mallon declared a personal interest in any item that referred to Children's Services as his wife is employed at a Bury school.

**AU.216       MINUTES OF THE LAST MEETING**

**Delegated decision:**

That the Minutes of the last meeting of the Audit Committee held on 15 July 2014 be approved as a correct record and signed by the Chair.

**AU.217       MATTERS ARISING**

- The Chair, Councillor FitzGerald referred to the question that Councillor Walker had asked in Minute AU.125 - Audited Statement of Accounts regarding the Income and Expenditure Statement for Adult Care Services and asked whether he had received further information from officers regarding this.

Councillor Walker confirmed that he had.

- Councillor Walker referred to the funding for Public Health question that he had asked under the same item and explained that the Health Scrutiny Committee had received a report from Public Health and would be receiving an update at a future meeting.
- In relation to AU.127, Annual Governance Statement, Steve Kenyon reported that some analysis had been carried out following the question relating to spend per head but further analysis was still required to see how the figure was calculated. Steve reported that the full analysis would be reported back to a future meeting of the Committee.

**AU.218       PUBLIC QUESTION TIME**

There were no members of the public present to ask questions under this item.

## **AU.219 FINANCIAL MONITORING REPORT - APRIL 2014 TO JUNE 2014**

The Assistant Director of Resources and Regulation, Steve Kenyon, presented a report updating Members of the Committee on the Authority's financial position as at 30 June 2014 in line with the Committee's Statement of Purpose to 'provide independent scrutiny of the authority's exposure to risk and the control environment'.

The report set out the projected overspend of £1.710m as at 30 June 2014. This was reported as representing approximately 1.19% of the total net budget of £143.654m.

The Cabinet had received a more in-depth report at their meeting on 3 September and the report will also be considered by Overview and Scrutiny Committee at its meeting on 7 October 2014.

Further analysis was provided in relation to commitment accounting and balance sheet monitoring as well as the position on the general fund balance.

Members were given the opportunity to ask questions and make comments and the following points were raised:-

- Councillor Walker referred to the position of Communities and Wellbeing and asked how this figure had been reached.

Steve explained that Communities and Wellbeing incorporated Adult Care Services and as such was responsible for care packages across the borough, some of which could be quite costly.

- Councillor FitzGerald referred to the position of the Resources and Regulation Department at £1.344m and asked for an explanation relating to this figure.

Steve explained that 50% related to the overspend relating from the old Chief Executives Department and was mainly around Property Services shortfall in income and Bradley Fold and the Millgate Centre. The other half of the figure was from the new services that had been brought into the department such as Planning, Highways and Car Parking these also related to shortfall in income.

- A question was asked in relation to the amount of borrowing reported.

It was explained that the figure had risen due a loan being taken out. It was explained that a previous loan had been repaid and the new loan had been taken out quite a while after which explained the difference in the figures.

- Councillor Mallon referred to the amount set aside for equal pay settlements and asked how this figure had been calculated.

Steve explained that the figure was an estimate but it was felt that it was a realistic one.

- Councillor Heneghan asked if there was any resolution in sight with regards

to the equal pay settlements.

Steve explained that it was difficult to predict when it would be over. The cases were in the hands of the solicitors who were dealing with them.

Members of the Committee were asked to note the contents of the report.

**Delegated decision:**

That the contents of the report be noted.

**AU.220 QUARTERLY GOVERNANCE STATEMENT**

The Head of Financial Management presented a report providing Members with a quarterly update on the Annual Governance Statement which had been approved by the Audit Committee at its meeting on 15 July 2014.

The report gave an update on the continuous monitoring that was carried out and highlighted any relevant issues with regards to Risk Management, Business Continuity, Budget Monitoring, the work of Internal Audit, the work of the Governance Panel, Gifts and Hospitality and Sickness levels across the authority.

The up to date Corporate Risk Register was appended to the report and informed Members of the risk event and status. It was explained that the Risk Register had been updated to reflect the most current high level risks facing the organisation.

Members were given the opportunity to make comments and ask questions and the following points were raised:-

- Councillor Mallon referred to the levels of sickness and asked whether policies were in place around this.

It was explained that there was a robust system in place regarding sickness absence which included monitoring, letters at different stages, referral to occupational health and return to work interviews.

- Councillor Walker explained that with the creation of the new departments more services would be monitored together which could reflect on the figures. Councillor Walker explained that now that Adult Care Services and some of the Communities and Neighbourhoods Services came under the new Communities and Wellbeing Department, Social Workers and Waste Management were now under the same umbrella. Councillor Walker asked whether the sickness figures could be broken down into smaller sections in future to assist with understanding them better.

It was reported that this would be explored.

**Delegated decision:**

That the contents of the report be noted.

**AU.221 GIFTS AND HOSPITALITY**

Steve Kenyon presented a report providing Members with an update of the system to declare, monitor and report gifts and hospitality offered to or received by staff and Members.

The report covered the period March 2014 to June 2014.

Members were given the opportunity to ask questions and make comments and the following points were raised:-

- Councillor Whitby asked whether teachers would be included within the Policy.

It was explained that teachers would not be included in the Council scheme but all schools should have a similar reporting mechanism in place.

**Delegated decision:**

That the contents of the report be noted.

**AU.222 EXTERNAL AUDIT PROGRESS REPORT**

Adam Langan representing KPMG presented a report setting out the progress made by the External Auditors up to September 2014.

The work on the 2013/2014 financial statements was complete and the Committee had received the report at the meeting on 15 July 2014. This report had also contained the Value for Money opinion.

The work the Certification of Claims and Returns had commenced and these findings would be reported to the Committee once completed

Adam reported that the detailed Audit Plan would be presented to the Audit Committee at its next scheduled meeting in December 2014.

**Delegated decision:**

That the report be noted.

**AU.223 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.224 INTERNAL AUDIT PROGRESS REPORT**

The Head of Financial Management submitted a report briefing the Committee Members on the work being carried out currently by Internal Audit in line with the

Annual Audit Plan 2014/2015.

Details of work undertaken and Audit Reports issued and Internal Audit performance indicators were included in the report with significant issues highlighted.

**Delegated decision:**

That the contents of the report be noted.

**AU.225 INTERNAL AUDIT - MEMBERS' FEEDBACK**

The Head of Financial Management submitted a report providing feedback to Committee Members in the form of responses to specific issues raised in relation to Audit Reports and queries. This included amounts over £1,000 received through the Council's cash receipting system for the period 1 April 2014 to 30 June 2014 and details of follow up audits that had been carried out since the Audit Committee meeting on 3 March 2014.

**Delegated Decision:**

That the contents of the report be noted.

**COUNCILLOR E FITZGERALD**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 8.25 pm)**