

**Minutes of:           AUDIT COMMITTEE**

**Date of Meeting:** 20 April 2016

**Present:** Councillor J Mallon (in the Chair)  
Councillors N Bayley, S Nuttall, Southworth, R Walker and  
Whitby

**Also in attendance:** Andrew Baldwin – Head of Financial Management  
Steve Kenyon – Interim Executive Director of Resources and  
Regulation  
Jillian Burrows – KPMG

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

**Apologies for Absence:** Councillor E Fitzgerald and Councillor M Wiseman

#### **AU.897   DECLARATIONS OF INTEREST**

Councillor Sarah Southworth declared a personal interest in any matters relating to Persona Care and Support Ltd (Local Authority Trading Company), for the reason that her partner is employed as an auditor to the company. A personal interest was declared in any matters relating to Six Town Housing (STH) for the reason that Councillor Southworth is a member of the STH Board.

Councillor Mallon declared a personal interest in any matters to education finance for the reason that his partner is employed as a teacher in a Bury school.

#### **AU.898   MINUTES OF THE LAST MEETING.**

**Delegated decision:**

That the Minutes of the last Meeting held on 25 January 2016 be approved as a correct record and signed by the Chair.

#### **AU.899   INTERIM AUDIT REPORT 2015/2016**

Jillian Burrows, KPMG, introduced the Interim Audit report 2015/2016 which presented a summary of the key findings from the work undertaken so far in relation to both the audit of the Authority's 2015/16 financial statements and the 2015/16 Value for Money conclusion.

The Chair invited questions.

Councillor Walker referred to the Interim Audit Findings (Asset Valuations) and asked if there were examples of 'misleading assets' and was this an example double accounting.

The example was given of the former Coney Green High School being placed on the fixed asset register. The site was not for sale and was being used as a leisure centre. This was not double accounting. Separate lists were held by the Property

Services Team and the Accountancy Team which were used for different purposes. A single new data base would be produced holding clean correct data for both purposes.

Councillor Whitby referred to the figure of 819 assets that had exceeded the timescale for revaluation.

It was reported that the list had been reviewed and reduced to an acceptable number.

Councillor Bayley asked if there was a right of the elector to ask questions and seek information on the Council's financial accounts. The Freedom of Information Act (FOI) is used for other areas of the Council service and in some cases can tie up officer time for long periods. Was there a point at which to say that an investigation should be stopped?

The FOI Act legislation did not include the Council's accounts. Instead there are other means to obtain information through the National Audit Office (NAO) guidance. The elector must follow a process where there are strict rules for raising objections in order to have an investigation. The investigations can be lengthy and costly to councils. Another way of passing information to the elector is through the use of Public Interest Reports can be viewed online.

Councillor Walker asked if the transfer between reserves was compliant with legislation during the financial statements audit.

It was reported that this referred to the repayments on old loans. The Council was following the process taken by other authorities of spreading the life of a loan over the life of the asset. A report had been approved by Cabinet and Overview and Scrutiny and would be included in the Treasury Management Mid-Year Review. This method was compliant with the current legislation.

The Chair referred to the addition to the Risk Register of £600,000 potential shortfall based on maximum level flood recovery payment applications based on the outstanding surveys to be undertaken being at the maximum level.

**Delegated decision:**

That the Interim Audit Report be noted.

**AU.900 ANNUAL AUDIT LETTER 2016/2017**

Jillian Burrows, KPMG, introduced the Annual Audit Fee 2016/17 report. The fee level is notified to the Council by 13 April each year with the planned fee including a 25% reduction. The proposals by KPMG included a risk-based approach to audit planning as set out in the Code of Practice and Public Sector Audit Appointments Ltd's (PSAA's) published work and fee scales.

**Delegated decision:**

That the report and planned fee be noted.

**AU.901 QUARTERLY GOVERNANCE STATEMENT APRIL - DECEMBER 2015**

The Head of Financial Management submitted a report presenting a quarterly update on the Annual Governance Statement following the approval of the Annual Governance Statement on 15 July 2015. The report covered the areas of risk management, including the Q3 Risk Register, business continuity, the work of Internal Audit and Governance Panel and sickness absence.

**Delegated decision:**

That the report be noted.

**AU.902 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.903 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 2015/2016. Details of work undertaken and audit reports issued were included in the report with significant issues highlighted. This included work carried out against the approved plan, detailing trial reports issued with the last Audit Committee meeting and a suite of performance indicators.

**Delegated decision:**

That the report be accepted.

**AU.904 INTERNAL AUDIT REPORT - MEMBERS' FEEDBACK**

The Head of Financial Management presenting feedback to Committee Members in the form of responses to specific issues raised in relation to Audit Reports and queries. This included; details of cash transactions on large cash transactions and by providing follow-ups to audit that had been revisited since the Audit Committee meeting in January 2016.

**Delegated Decision:**

That the contents of the report be noted.

**COUNCILLOR J MALLON**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 7.50 pm)**