

Minutes of: AUDIT COMMITTEE

Date of Meeting: 25 June 2013

Present: Councillor E FitzGerald(in the Chair);
Councillors P Bury, M Hankey, S Nuttall and K Rothwell.

Also in attendance: Rachel Lindley, KPMG
Trevor Rees (KPMG)

Apologies for Absence: Councillors M Bailey, J Frith, P Heneghan and B Vincent.

Public Attendance: -

AU.126 WELCOME AND THANKS

Councillor FitzGerald welcomed all those present to the first meeting of the Audit Committee for the 2013/2014 Municipal Year. Councillor FitzGerald asked that thanks to Councillor Anne Audin be recorded for her work in Chairing the Committee for the previous year.

Councillor FitzGerald explained that she had met with Steve Kenyon and Barrie Strothers to discuss the future work of the Audit Committee and it had been agreed that the Committee would carry out some work away from the statutory requirements of the Committee.

It was hoped that this would benefit Members and allow them to better understand the work of the Council and financial issues relating to it.

AU.127 DECLARATIONS OF INTEREST

There were no declarations of interest made in relation to any item on the agenda.

AU.128 PUBLIC QUESTION TIME

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

AU.129 MINUTES OF THE LAST MEETING

Delegated decision:

That the Minutes of the meeting of the Audit Committee held on 12 February 2013 be approved as a correct record and signed by the Chair.

AU.130 MATTERS ARISING

Councillor Nuttall referred to Minute AU.737 of the last meeting, Certification of Grants and asked for clarification on the qualification in relation to the Housing and Council Tax Benefit Claim.

Trevor Rees explained that this was not a significant issue, it had been a matter of a tick being placed in an incorrect box. It was explained that it was not something to be concerned about.

AU.131 ANNUAL GOVERNANCE STATEMENT 2012/2013

The Head of Internal Audit, Barrie Strothers, presented a report introducing the Annual Governance Statement.

It was explained that under the Accounts and Audit (England) Regulations 2011, the Council is required to produce an Annual Governance Statement which is one of the documents that supports the annual Statement of Accounts.

The Annual Governance Statement provides an assurance that the Governance Framework is operating effectively and reports any significant issues arising during the year. The Governance Framework comprises the systems, processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community.

It was explained that it was a legal requirement for every Council to produce an annual statement; Bury produced a quarterly report in line with best practice.

Delegated decision:

That the Annual Governance Statement 2012/2013 be accepted.

AU.132 MEMBER TRAINING – STATEMENT OF ACCOUNTS

Steve Kenyon, Assistant Director of Resources explained that the Audit Committee would not be asked to approve the accounts at this meeting. The Committee would be asked to note the contents and then receive the audited Statement of Accounts at the August meeting. Steve gave a presentation explaining the Statement of Accounts.

It was explained that the draft Accounts gave a summary of the Council's financial performance for the year ended 31 March 2013 and set out the net worth in respect of assets and liabilities, were a key element of accountability and governance, contain a number of key

financial statements and outline key responsibilities, policies and the audit opinion.

The Draft Accounts must be approved by the Council's s151 Officer no later than 30 June 2013. The Accounts would then be placed on the Council's website and open to public inspection between 30 June and 29 July. The audited accounts will then be represented to the Audit Committee at its meeting on 22 August 2013.

Steve gave an overview of the Council's financial position as set out in the Draft Accounts and explained the Revenue Budget, the Comprehensive Income and Expenditure Statement, the Housing Revenue Account Balance Sheet and the other statements within the document.

It was also explained that the Council had to complete the accounts in line with the International Financial Reporting Standard (IFRS) which was a common approach to allow comparisons across organisations, sectors and countries.

It was reported that a majority of Councils were not presenting their draft accounts to their Audit Committees as it was not now a statutory requirement. Steve explained that it was felt that it was good practice to present to the Audit Committee so Bury would continue to this.

It was explained that the Committee would be invited to attend a two hour session with lead officers in relation to the Statement of Accounts where Members would be given the opportunity to question the contents of the Statement of Accounts in more detail.

Delegated decision:

That the Assistant Director of Resources be thanked for his informative presentation.

AU.133 DRAFT STATEMENT OF ACCOUNTS

The Assistant Director of Resources (Finance and Efficiency), Steve Kenyon introduced a report from the Deputy Leader of the Council and Executive Member for Finance which set out the Draft Statement of Accounts.

It was explained that the 2013 Accounts and Audit Regulations, issued on 31 March 2013, stipulated that the pre-audited accounts must be approved on or before 30 June by the Responsible Finance Officer (S151 Officer) in place of the Chair of the Audit Committee. It was also explained that the Annual Governance Statement which was previously included as part of the Statement of Accounts was now to be published as a separate document to accompany the Statement.

The Draft Statement of Accounts was attached to the report and contained an introduction by the Deputy Leader of the Council and Executive Member for Finance, an explanatory foreword, Summary of the Council's Financial Results, Statement of Responsibilities, Accounting Policies, Core Financial Statements, Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, Notes to the Core Financial Statements, the Housing Revenue Account, the Collection Fund and the Group Accounts.

Also attached to the report was an aide memoir to help establish and provide evidence of a robust review of the accounts by the S151 officer and Members of the Committee.

Delegated decision:

That the Committee accept receipt of the Draft Statement of Accounts for the 2012/2013 financial year.

AU.134 RISK MANAGEMENT ANNUAL REPORT 2012/2013

Steve Kenyon presented a report providing Members with details of risk management activity that had taken place over the previous 12 months.

The report outlined the risk management policies and practices in place and highlighted the key issues that would be addressed during the coming financial year.

The report explained how risk management was implemented across the Council and within each of the directorates.

It was explained that Risk Assessment Action Plan Registers (RAAP's) were used across departments to record identified risks and opportunities and the actions being taken. The Council's risk management framework was outlined within the report and each of the department's progress against the risks was set out.

It was explained that as well as the department RAAP's there was the also Corporate RAAP which records the council's most significant risks. The Corporate RAAP is reviewed continually by the Management Board.

Member input was sought via the Corporate Risk Management Group and quarterly reports to the Audit Committee.

Delegated Decision:

1. That the Audit Committee re-affirms its support for the Council's

approach to Risk Management.

2. That the progress made throughout 2012/2013 and the actions planned for 2013/2014 be noted.

AU.135 INTERNAL AUDIT ANNUAL REPORT AND REVIEW OF EFFECTIVENESS OF INTERNAL CONTROL

The Head of Internal Audit, Barrie Strothers presented a report summarising the work undertaken by the Internal Audit Section during the 2012/2013 financial year. The report contained an Audit Opinion which assessed the authority control framework as "robust" and updated the Members on some of the issues facing the Internal Audit Service.

Appended to the report was a Review of the Effectiveness of Internal Audit and the Annual Report and Opinion for 2012/2013

Delegated decision:

1. That the contents of the report be accepted
2. That the suitability of the report be endorsed in support of the Governance Statement for 2012/2013.

AU.136 EXTERNAL AUDIT PROGRESS REPORT 2012/2013

Rachel Lindley, representing KPMG presented the Committee with the Progress Statement for the External Audit Programme 2012/2013.

Details of the ongoing work and when that work would be completed and reported to the Committee were included in the report with comments on progress.

Delegated decision:

That the contents of the report be noted.

AU.137 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.

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**AU.138 EFFECTIVENESS OF THE AUDIT COMMITTEE 2012/2013
(E)**

Barrie Strothers, Head of Internal Audit submitted a report summarising the work carried out by the Audit Committee over the 2012/2013 Municipal Year which showed the effectiveness of the Committee. Included in the report was a self-assessment checklist which demonstrated that CIPFA guidance had been complied with.

Delegated decision:

That the report be accepted.

**COUNCILLOR E FitzGerald
Chair**

(Note: The meeting started at 7.00 pm and ended at 8.40 pm)