

**Minutes of:**                   **AUDIT TASK GROUP**

**Date of Meeting:**           **5 October 2006**

**PRESENT:**                   **Councillor Starkey (Chair)**  
**Councillors Cheetham, Haworth, Sandiford**  
**(substituting for Morris), Thorne (substituting**  
**for P Steen)**

**IN ATTENDANCE:**       **Neil Leadbetter, Lancashire Audit Service**  
**Melanie Dexter, Lancashire Audit**  
**Phil Seddon, Head of Finance**  
**Pat Couch, Scrutiny Support Officer**

**ALSO PRESENT:**       **Councillor Dickinson, Entwistle, Neal**

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**1.    APOLOGIES FOR ABSENCE**

Apologies were received from Councillor P Steen and Alcroft

**2.    CHAIRS INTRODUCTION**

The Chair welcomed everyone to the meeting explaining that this was the first audit meeting under the new pilot arrangements and he explained that as with all of the Task Groups, a report would be presented to the Overview & Scrutiny Management Committee.

He informed members that both the Scrutiny Support Officer and Committee Services Manager had been asked to present the new pilot arrangements to the Improvement Board and that feedback had been very positive.

The Chair then reported to the group that the LSP have been given the 'green light' in their performance and that congratulations should be forwarded to the Head of Community & Partnership.

The Terms of Reference had been tabled and the Chair indicated that these would be discussed at the end of the meeting

He then introduced Neil Leadbetter and Melanie Dexter from Lancashire Audit Service.

**3.    PRESENTATION ON THE ROLE OF THE INTERNAL AUDITOR**

Neil Leadbetter, from Lancashire Audit Service gave a brief overview of the role of both internal and external audit, explaining that he and his colleague, Melanie Dexter have responsibility for overseeing the

internal audit of Rossendale Borough Council. He explained that there are different levels of audit and this is dependent on how the organisation is performing.

Internal audit is an assurance function that primarily provides an independent and objective opinion to the council and ensures that everything is working well within the Council.

The internal control environment comprises the council's policies, procedures and operations in place to establish and monitor the achievements of the Council's objectives, facilitate policy and decision making.

Under the Local Government Act 1972 (Section 151) asks authorities to make arrangements for the proper administration of their financial affairs and ensures that an officer is delegated responsible for the administration of those affairs. Within the Council the responsible officer is Phil Seddon, Head of Finance.

The Audit Commission appoints, regulates and advises auditors as well as undertake CPA and other inspections. They also review internal auditors and every three years undertake a full review, which is reported back to the Overview and Scrutiny Audit Group

Melanie Dexter explained to Members the CIPFA Code Standards indicating that for independence purpose all officers have to be impartial and that all staff are qualified to undertake audit. There is an audit strategy which is a high level statement of what audit is about. The scope of audit work is discussed at length with each Head of Service. Meetings are also held with the Head of Finance to ascertain how the Council is progressing.

The difference between Internal and External Audit is as follows;-

<b>Internal</b>	<b>External</b>
Employed or internally appointed	Externally appointed
Part of the Authority's Internal Corporate Governance arrangements	External from the Authority
More flexible within the prescribed framework	Statutory Functions and responsibilities

It is the Council's responsibility for putting systems in place and the Auditors responsibility to have assurance and control that they are working.

The internal auditor then reported to Members the future timetable for the Committee to receive reports.

The Chair thanked Neil Leadbetter and Melanie Dexter for an extremely informative presentation.

#### **4. TERMS OF REFERENCE**

The Chair asked the Internal Auditor for his views on the Task Group's Terms of Reference and these were accepted as a way for the Group to continue its work.

**The meeting commenced at 6.30pm and finished at 7.45pm**