

Minutes of: **AUDIT TASK GROUP**

Date of Meeting: **8 November 2006**

PRESENT: **Councillor Starkey (Chair)**
Councillors Cheetham, Eaton, H Steen
(substituting for P Steen)
Bernadette O'Connor (co-opted)

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

ALSO PRESENT: **Councillors Dickinson, Essex, Lynskey, Morris,**
Neal, Sandiford and Thorne

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors P Steen, Haworth and Alcroft.

2. DECLARATION OF INTEREST

There were no declarations of interest made.

3. MINUTES OF THE LAST MEETING

Resolved:

That the Minutes of the last meeting held on 5 October 2006, be agreed and signed as a correct record.

4. PUBLIC QUESTION TIME

No questions were raised under this item.

5. CHAIRS INTRODUCTION

The Chair welcomed everyone to the meeting and indicated that any Member in attendance that was not a Member of the Task Group would be welcome to ask questions.

He informed Members that the terms of reference which had been agreed at the last meeting of the task group would have to be reviewed in light of any changes in the CIPFA code for internal audit.

The Chair then introduced Neil Leadbetter from Lancashire Audit Service.

6. INTERNAL AUDIT PROGRESS REPORT

The Principal Auditor of Lancashire Audit Service informed Members that Melanie Dexter would be leaving her position as Senior Auditor to take up a new post. Members asked that thanks and appreciation be sent to Melanie on behalf of the Council.

He then went on to present the internal audit progress report for the period 1 April 2006 to 30 September 2006. The work carried out during this period was in accordance with the agreed Audit Plan.

The report highlighted that 133 days had been spent in the last six months since the start of the financial year to deliver the audit plan. This equated to 41% of the total audit activity of 327 days planned for the year. It was noted that part of the time related to the finalisation of 2005/06 audits. Work had been programmed over the remainder of the year to ensure that all the areas identified would be covered.

A Member asked for clarification on how the remaining audit days would be managed and the Principal Auditor explained the process.

Another question was in relation to monitoring of Council Tax payments now that the contract had been taken over by Capita. The Head of Finance explained that it was the Council's responsibility to ensure that Council Tax was being collected appropriately and the Council would monitor the delivery of the service.

A Member raised the issue of SPAM emails received within the Council and the Head of Finance indicated that a new ICT Strategy would identify these issues and improvements were being made.

The Principal Auditor was asked whether the Council was meeting its statutory obligations. The Principal Auditor confirmed that all Internal Audit obligations were being met.

Resolved;

That the internal progress report for the six months to 30 September 2006 be approved.

7. NATIONAL FRAUD INITIATIVE

The Principal Auditor of Lancashire Audit Service presented a report which gave an overview of the National Fraud Initiative (NFI) exercise which would be undertaken by the Internal Audit Service in 2006/07.

The NFI was a data matching exercise which was designed to help participating bodies to detect fraudulent and erroneous payments, which began in 1996 and takes place every two years.

When this exercise was undertaken in 2004, a total of £23,732 savings was identified for Rossendale Borough Council. The Audit Commission designated the NFI to be part of the statutory external audit and authorities are legally obliged to provide the relevant data.

There was a statutory requirement for Rossendale Borough Council to download its creditors' payment history and standing data, along with payroll data by a certain date (usually mid-October). This would then be sent to a central point and the data matched to other local authorities and agencies.

A number of questions were raised and responded to by the Principal Auditor.

Resolved:

That the National Fraud Initiative process be noted.

The meeting commenced at 6.30pm and finished at 7.15pm

Signed.....

(Chair)

Date