

MINUTES OF: THE AUDIT SCRUTINY COMMITTEE

Date of Meeting: 6 December 2007

**PRESENT: Councillor Smith (Chair)
Councillors A Barnes (substituting for Aldred), L Barnes,
Crawforth, Forshaw (substituting for Hancock), Sandiford
(substituting for S Pawson), Thorne**

**IN ATTENDANCE: Ruth Lowry, Lancashire Internal Audit
Zaheer Abbas, Lancashire Internal Audit
Phil Seddon, Head of Financial Services
Pat Couch, Scrutiny Support Officer
Carolyn Law, Committee Services Officer**

**ALSO PRESENT: Councillor Essex, Portfolio Holder, Well Managed Council
1 Member of the public**

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Aldred, Hancock, Nuttall, S Pawson,

2. MINUTES OF THE AUDIT SCRUTINY COMMITTEE MEETING HELD ON 6 SEPTEMBER 2007

Resolved:

That the Minutes of the meeting of the Audit Scrutiny Committee held on 6 September 2007 be signed by the Chair as a correct record, subject to the deletion of Councillor A Barnes as being in attendance.

3. DECLARATION OF INTERESTS

No declaration of interests were made.

4. URGENT ITEMS OF BUSINESS

The Chair reported that there were no urgent items of business.

5. PUBLIC QUESTION TIME

No questions were raised under this item.

6. THE ROLE OF AUDIT

The Head of Lancashire Internal Audit gave an informal presentation on the role of both internal and external audit, explaining that Audit was relatively new to Local Government.

Internal audit was an assurance function that primarily provides an independent and objective opinion to the council and ensures that everything is working well within the Council and controls are in place to manage risks.

The Head of the Internal Audit explained that External Audit provides opinions on whether the financial statements are fairly presented and whether the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Annual Governance Statement incorporates Corporate Governance and Risk Management and replaces the Statement of Internal Control.

Resolved:

That the Head of Internal Audit be thanked for her presentation.

7. INTERNAL AUDIT PROGRESS REPORT

The Senior Auditor presented the internal audit report for the period 1st August 2007 to 31 October 2007.

The report highlighted that 197 days had been spent in the last seven months since the start of the financial year to deliver the audit plan. This equated to 68% of the total audit activity of 290 days planned for the year. In respect of the balance of the 2007/08 plan, work had been programmed over the remainder of the year to ensure that all areas identified were covered.

The Senior Auditor reported to Members that Rossendale Borough Council had received a 'good' rating for its Asset Management Plan in May 2007.

In relation to National Non Domestic Rates (NNDR), the Auditor explained that there were a number of concerns in respect of the NNDR system, where management action was required to mitigate the risks. A report relating to the review of the NNDR system had been issued in draft and discussed with Capita and the Service Assurance Team. A formal response had been received from Capita and they were still awaiting responses from relevant staff within the Council for a number of recommendations.

Concern was raised by members that some users of the NNDR system had been given a higher level of access than had been considered necessary. The Head of Financial Service explained that the Council holds data of 66% of residents' bank details and procedures had now been put in place including restricting data on emails.

A number of questions were raised in which both the Senior Auditor and Head of Financial Services responded.

Resolved

- 1. That the Internal Audit Progress Report for August –October 2007 be noted.

The meeting commenced at 6.30 and finished 7.55pm

Signed.....

Date