

MINUTES OF: THE AUDIT SCRUTINY COMMITTEE

Date of Meeting: 7 February 2008

**PRESENT: Councillor Smith (Chair)
Councillors Aldred, Dickinson (substituting for Thorne),
Hancock,**

**IN ATTENDANCE: Andrew Fox, Principal Auditor, Lancashire Audit Service
Zaheer Abbas, Lancashire Audit Service
Bill Lawley, Interim Legal and Democratic Services Manager
Phil Seddon, Head of Finance
Pat Couch, Scrutiny Support Officer**

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

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Thorne and Bernadette O'Connor (co-opted Member)

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

Councillor Aldred asked for clarification on the minutes in relation to "audit being relatively new to Local Government." The Principal Auditor explained that the remit of audit had widened to include a risk based approach.

Resolved:

That the Minutes of the meeting of the Audit Scrutiny Committee held on 6 December 2007 be signed by the Chair as a correct record.

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. RISK MANAGEMENT

The Head of Lancashire Internal Audit gave a brief introduction on Risk Management which would provide members with a basic understanding on the concept of risk.

The Audit Scrutiny Committee's Terms of Reference included the need to ensure there was effective management of the Council's Risk and the Head of Finance explained that there was a need to demonstrate to the Audit Commission that Risk Management was embedded within the Council.

Resolved:

That the Principal Auditor be thanked for the presentation.

7. REVIEW OF CORPORATE GOVERNANCE ARRANGEMENTS

The Interim Legal and Democratic Services Manager presented the report of the Review of the Council's Corporate Governance Arrangements.

The Chair asked Members to send any individual comments on the report to the Scrutiny Support Officer. It was agreed that Members of the Committee who were not at the meeting be contacted to ask them to forward any comments to the Scrutiny Support Officer.

Resolved:

That the Review of the Council's Corporate Governance Arrangements be approved.

8. INTERNAL AUDIT PROGRESS REPORT

The Senior Auditor presented the Internal Audit Report for the period 1st April 2007 to 31st December 2007.

The report highlighted that 255 days had been spent in the last nine months since the start of the financial year to deliver the audit plan. This equated to 78% 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 that there had been no significant issues raised as a result of the reviews undertaken since the previous meeting of this Committee in December 2007.

In relation to National Non Domestic Rates (NNDR) system, the Senior Auditor explained that appropriate action had been taken following concerns presented in the last report.

There was discussion on the process of the National Fraud Initiative

The Senior Auditor was asked for timescales as to when issues relating to Asset Management would be actioned. Further information would be sent to Members by the Senior Auditor.

A number of questions were raised by Members to which the Head of Finance and the Internal Auditors responded, which included the following.

- Procedure for disposal of the Council's Assets
- Audit Commission price increases

Resolved

1. That the Internal Audit Progress Report for April - December 2007 be noted.
2. The Senior Auditor to contact Members with timescales for action in relation to some areas of Asset Management.

The meeting commenced at 6.30 and finished 7.55pm

Signed.....

Date