

AUDIT COMMITTEE

6.00 P.M.

27TH JUNE 2007

PRESENT:- Councillors Malcolm Thomas (Chairman), Jon Barry, Roger Dennison, Janice Hanson, Tony Johnson, Geoff Knight and Karen Leytham

Also in attendance:-

Mike Tye	Audit Commission
Jillian Burrows	KPMG

Officers in attendance:-

Roger Muckle	Corporate Director (Finance and Performance)
Nadine Muschamp	Head of Financial Services
Andrew Clarke	Accountancy Services Manager
Derek Whiteway	Internal Audit Manager
Lynne Armistead	Risk and Insurance Manager
James Doble	Principal Democratic Support Officer
Sharon Marsh	Democratic Support Officer

1 APPOINTMENT OF VICE CHAIRMAN

Two nominations were received for the appointment of Vice-Chairman for the Municipal Year 2007/08, Councillor Jon Barry and Councillor Janice Hanson.

Upon being put to vote 3 Members voted for Councillor Jon Barry and 3 Members voted for Councillor Janice Hanson.

A casting vote was made by the Chairman and Councillor Janice Hanson was appointed Vice-Chairman of the Audit Committee for the Municipal Year 2007/08.

Resolved:

That Councillor Janice Hanson be appointed Vice-Chairman of the Audit Committee for the Municipal Year 2007/08.

2 MINUTES

The Minutes of the meeting held on 24th January 2007 were agreed as a true and accurate record.

3 ANNUAL AUDIT AND INSPECTION LETTER

Mike Tye (Audit Commission) introduced the Annual Audit and Inspection Letter. The report assessed the progress that the City Council had made in the past 12 months. On the whole the report highlighted some very positive messages for the Council and many improvements were highlighted. Further work was still required in some areas including staff absences and further development on equality and diversity.

Members discussed the issue of value for money and were informed that the score in this area was not a cause for concern, but that this was an area in which the City Council could develop further. It was reported that establishing value for money was a relatively new concept and very difficult to achieve.

Resolved:

That the report be noted.

4 STATEMENT OF ACCOUNTS 2006/07

The Head of Financial Services submitted a report that sought Members' approval of the draft Statement of Accounts for 2006/07. She outlined key financial issues arising from the Accounts, including the outturn position. Members were also informed that the deadline had been tough to meet due to the significant changes in presentation this year, and the Accounts themselves had been made available to Members as soon as they had been completed. The deadline had also moved forward in recent years.

Members asked several questions regarding the Accounts and their content, in particular on pension liabilities and on the capital funding position.

It was reported that the issues included in the Statement of Accounts in connection with the revenue and capital outturn position would be reported to Cabinet in July, and generally Members may find this report easier to understand than the Accounts themselves. This was primarily because the format of the Accounts was prescribed by professional Codes of Practice.

Resolved:

That the draft Statement of Accounts for the financial year ended 31st March 2007 be approved, as presented, and that the Chairman signs and dates the Accounts accordingly.

5 RISK MANAGEMENT POLICY AND STRATEGY

The Risk and Insurance Manager presented a report that sought the Committee's approval of the revised Risk Management Policy and Strategy.

It was reported that since the City Council's arrangements for managing risk were approved by the Audit Committee in July 2005 the risk management programme had progressed significantly. Members were advised that the revised Risk Management Policy and Strategy now detailed how the City Council dealt with significant areas of potential risk.

Members queried aspects of risk management in practice, and in support of these Members were informed that the City Council now had an Emergency Planning and Business Continuity Officer. Every Service now had a Business Continuity Plan and there was a well established and tested disaster recovery plan for IT.

Resolved:

That the revised Risk Management Policy and Strategy be approved.

6 INTERNAL AUDIT ANNUAL REPORT

The Internal Audit Manager submitted a report that informed the Committee of the extent and outcome of Internal Audit work during the 2006/07 financial year and presented an annual Statement of Assurance regarding the Council's Internal Control Framework.

Members were informed that there were a number of reports that had been issued but had yet to be considered by the Committee. This was due to the cancellation of the Audit Committee meeting in April 2007.

Members discussed the Annual Audit Plan contained in the report and considered the explanation for variances.

Resolved:

- (1) That the report be noted.
- (2) That the Controls Assurance Statement be accepted and considered in relation to the proposed Statement on Internal Control and Corporate Governance.

7 STATEMENT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

The Corporate Director (Finance and Performance) submitted a report that requested the Committee's approval for the draft Statement on Internal Control and Corporate Governance for the 2006/07 financial year. The report outlined the elements needed in relation to the systems of internal control, a statement on which must be published alongside the financial statements.

The areas that the City Council needed to improve on were highlighted to Members; along with the areas that the City Council had considerably improved upon from the previous year.

Resolved:

That the Statement on Internal Control and Corporate Governance for 2006/07, be approved for signing by the Leader of the Council, Chief Executive, Section 151 Officer and Monitoring Officer.

8 INTERNAL AUDIT STRATEGIC AND ANNUAL PLANS 2007/08

The Internal Audit Manager presented a report that sought the Committee's approval for a proposed three-year Internal Audit Strategic Plan and Annual Operational Plan for 2007/08.

Members queried whether training, including training on LAMP, would be provided for Audit Committee Members and were informed that this was being considered and would be likely to take place prior to the September 2007 meeting of the Audit Committee.

Resolved:

- (1) That the Internal Audit Strategic Plan be approved.

- (2) That the Internal Audit Annual Operational Plan for 2007/08 be approved.

9 DEMOCRATIC RENEWAL

The Principal Democratic Support Officer presented a report that advised Members of the action taken and progress achieved following completion of the democratic modernisation action plan arising from the democratic renewal audit.

Members were informed that the review of democratic structures had taken place as set out in the report and that, whilst a number of improvements had already been made, a number of elements had also been identified that would improve structures further including reducing bureaucracy and simplifying the constitution.

Resolved:

- (1) That the report be noted.
- (2) That the functioning of Full Council be considered further with regard to democratic modernisation.

Chairman

(The meeting ended at 8.07 p.m.)

**Any queries regarding these Minutes, please contact
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