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## **AUDIT COMMITTEE**

### **MEETING ,20TH SEPTEMBER 2006**

Present – Councillors J. Walsh (Chairman), Ayub, Connell, Hamilton, Hayes and A. Walsh.

Mrs. S. Curran

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Deputy Director of Corporate Resources

Mr. J. Midlane

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Head of Internal Audit and Service Development

Mr. A. Gardner

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Chief Accountant

Mr. K. Wharton

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Approved Auditor KPMG

Mr. A. Mee

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KPMG

Ms. J. Burrows

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KPMG

Councillor Walsh in the Chair

### **10 MINUTES OF THE PREVIOUS MEETING**

The minutes of the proceedings of the meeting held on 27th June, 2006 were submitted and signed as a correct record.

Further to Minute 4 of the meeting KPMG submitted a progress statement on the external audit programme 2005/06 as at 20th September, 2006.

### **11 CORPORATE RISKS**

The Head of Internal Audit and Service Development submitted a report which informed the Committee of the corporate risks that had been identified via the approved risk assessment process.

Appendix A to the report described the risk management process and the risks identified were being reviewed and rearranged to take account of management re-alignment and to ensure the risks were appropriate for the new departments.

The risk management action plans were detailed in Appendix B to the report.

Member discussed the role of the Committee in taking an overview of progress regarding corporate risks, particularly the nature and extent of the risk.

The Deputy Director of Corporate Resources indicated that she would submit a report to a future meeting as to proposals for monitoring corporate risk within the Committee's terms of reference and how this linked to the role of the Executive/Executive Members who were responsible for risk management in their particular areas.

Resolved - That the current corporate risks be noted.

## **12 CIPFA/IPF INTERNAL AUDIT BENCHMARKING 2005/06**

The Head of Internal Audit and Service Development submitted a report which informed the Committee of the results of the annual IPF benchmarking service for internal audit.

The benchmarking exercise demonstrated that the cost of the service in Bolton was significantly lower than the average whilst producing more days per auditor. However, the relatively small size of the section in Bolton meant that the required coverage per auditor was higher than the average.

Members discussed the issue of recruitment and retention and it was explained that the development of staff and succession planning had been undertaken to alleviate problems to date.

Resolved - That the outcome of the annual IPF benchmarking exercise for 2005/06 be noted.

## **13 KPMG REVIEW OF INTERNAL AUDIT - UPDATE**

The Head of Internal Audit and Service Development submitted a report which informed the Committee of progress with the implementation of the recommendations made in KPMG's review of the internal audit section.

The review of Internal Audit had resulted in 17 agreed recommendations, of which 13 had now been implemented with a further one being partially implemented. Work was now underway on the outstanding recommendations and it was noted that some could only be implemented later in the annual reporting cycle.

Resolved - That progress with the implementation of the recommendations from the KPMG review of Internal Audit be noted.

#### **14 HOUSING BENEFIT INVESTIGATIONS TEAM**

The Director of Corporate Resources submitted a report which provided members with information about the role and work of the Housing Benefit Investigation Team which was committed to the prevention, detection, deterrence and investigation of Housing Benefit and Council Tax Benefit Fraud.

The report set out the scope of the Team's operations including the relevant legislation used; the way cases were identified; monitoring as part of the Comprehensive Performance Assessment and the various possible outcomes of an investigation.

Members were reminded of the targets set for 2006/07 and that the Team was on target to meet such.

It was stressed that the Team worked closely with other local authorities and with the Police and the Department for Work and Pensions.

Reference was also made to the method for referring cases to the Team.

Resolved - That the report be noted.

#### **15 EXTERNAL AUDIT REPORT ON THE ACCOUNTS**

KPMG informed the meeting that work was still ongoing with respect to the Authority's Final Accounts for 2005/06 and that the Director of Corporate Resources had been

informed of any errors identified.

It was envisaged that the work would be completed in time for the Constitutional Panel on 27th September, 2006 which would sign off the Accounts.

Resolved - That the report be noted.