

AUDIT COMMITTEE

MEETING, 9TH DECEMBER, 2013

Present – Councillors Greenhalgh (Chairman), Ayub, A. Connell, Mistry (as deputy for Councillor Harkin), Kay and Morgan.

Also in attendance

Ms. S. Johnson	-	Assistant Director of Information Technology and Finance
Mr. J. Midlane	-	Head of Internal Audit and Risk
Mr M. Connor	-	Treasury Accountant
Mr. R. Khangura	-	KPMG
Mr D. Jones	-	KPMG
Mrs S.Bailey	-	Principal Democratic Services Officer

Apologies for absence were submitted on behalf of Councillors Harkin and I. Ibrahim.

Councillor Greenhalgh in the Chair.

22. MINUTES

The minutes of the proceedings of the meeting held on 27th September, 2013 were submitted and signed as a correct record.

23. ANNUAL AUDIT LETTER 2012/13

Representatives from KPMG submitted the Annual Audit Letter which summarised the key issues from the 2012/13 audit.

The key messages were as follows:-

KPMG issued an unqualified value for money conclusion for 2012/13 meaning that the proper arrangements for securing economy, efficiency and effectiveness in the use of resources were in place.

KPMG issued an unqualified opinion on the accounts on 27th September, 2013 and that the accounts gave a true and fair view of the financial affairs of the Council and of the income and expenditure recorded during the year.

Resolved – That the report be noted.

24. TREASURY MANAGEMENT QUARTER 2 MONITORING REPORT 2013/14

The Deputy Chief Executive submitted a report that provided the Committee with an update of the Treasury Management activities during the second quarter of 2013/14, together with the associated Prudential Indicators for the second quarter.

Resolved – That the report be noted.

25. INTERNAL AUDIT REPORTS SEPTEMBER 2013 TO DECEMBER, 2013

The Head of Internal Audit and Risk submitted a report that informed the Committee of the reports issued by internal audit between September, 2013 to December, 2013.

The appendix to the report also included a summary of the recommendations, together with the audit opinion.

It was reported that there were no substantial areas for concern.

Resolved – That the report be noted.

26. INTERNAL AUDIT INTERIM REPORT 2013/14

The Head of Internal Audit and Risk submitted a report that informed the Audit Committee of the work undertaken by the Internal Audit Section to September, 2013 and the level of assurance gained.

The report concluded that on the basis of the work carried out by internal audit and the records made available The Head of Internal Audit and Risk was of the opinion that overall the internal control environment of the authority was adequate and effective and there were no significant areas which needed bringing to the Committee's attention.

Resolved – That the report be noted.

27. PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The Head of Internal Audit and Risk submitted a report that aided the Committee's understanding of the new Public Sector Internal Audit Standards (PSIAS) and reviewed how Internal Audit in Bolton compared to it.

At its meeting in March, 2013 the Committee received a report on the new Public Sector Internal Audit Standards (PSIAS) and agreed that an assessment of the Internal Audit Section in Bolton Council would be undertaken based upon a checklist produced by CIPFA in its "Local government application note". The report included the self-assessment above, together with a draft improvement plan to meet the gaps identified.

The report concluded that PSIAS was fundamental in managing the internal audit function and would be used to measure the quality and success of the service. It brought together best practice across sectors and international boundaries and provided consistent standards for all providers.

The self-assessment indicated a high level of compliance but also highlighted new areas which needed to be developed and others where current processes needed to be improved.

Resolved – That the self- assessment against the PSIAS be noted and that the action plan to increase compliance with the standards be agreed and that regular reports detailing progress against the new standards be submitted.

28. PROTECTING THE PUBLIC PURSE 2013

The Deputy Chief Executive submitted a report that informed the Committee of the publication of “Protecting the Public Purse 2013” by the Audit Commission and Bolton’s response to it.

Each year the Audit Commission undertook a survey of all local authorities which looked at the level of detected fraud along with the procedures that were in place to detect it and negate it. The results of the survey were published annually in the document “Protecting the Public Purse” which highlighted some of the key issues around fraud in local government, including good practice and highlighted the current fraud risks that councils faced. This report highlighted some of the main issues from the 2013 document and a full copy of the document could be found on the Audit Commission website.

The national figures for 2012/13 represented a 14% reduction in numbers and a 1% reduction in value over those for 2011/12. In Bolton numbers of detected cases were up 6% whilst the value of recovery was up 2% on 2011/12.

The document included a number of recommendations for councils, registered housing providers and the Department for Communities and Local Government. The recommendations relating to councils were included at Appendix A. Bolton already met many of these and would be actively pursuing the others. Progress against these recommendations would be brought back to Committee for consideration

Resolved – That the report be noted together with Bolton’s position.

29. AUDIT COMMITTEE WORK PROGRAMME

The Deputy Chief Executive submitted a report that detailed the Committee's work programme for the period March, 2014 and June, 2015.

Resolved – That the work programme be noted

(The meeting started at 10.00 a.m. and finished at 10.45 a.m.)