

**AUDIT COMMITTEE**  
**Tuesday, 23rd September 2014**

**PRESENT** – *Councillor Riley (in the Chair); Sidat, Kay and Browne.*

**APOLOGIES** – *Councillor Pearson.*

**ALSO PRESENT**

Chris Whittingham	–Manager at Grant Thornton (District Auditor)
Denise Parks	–Executive Director, Resources and Transformation
Liz Hall	–Director for Financial Services
Colin Ferguson	– Head of Audit, Assurance and Procurement
Paul Hankinson	– Audit and Assurance Manager
Julie Jewson	– Senior Finance Manager
Jeanette Moister	– Finance Manager
Sonya Palmer	– Scrutiny Officer

**RESOLUTIONS**

**10 Minutes of the meetings held on 17<sup>th</sup> June 2014**

The minutes of the meeting held on 17<sup>th</sup> June 2014 were agreed as a correct record.

**11 Declarations of interest**

There were no declarations of interest.

**12 External Audit: Report on Value for Money for Blackburn with Darwen Borough Council**

The Council's External Auditors provided Members with the Value for Money conclusions Report for 2013/2014, which summarised the outcomes from the 2013/14 audit. It was reported that there was no significant risks to the value for money conclusion findings; however, two areas were identified to be considered further:

1. Assessment of the updates to revenue budgets and the medium term financial strategy 2014-2017 in light of the most recent local government finance settlement and the comprehensive spending review.
2. Review the Council's joint working arrangements with its partners to implement the Better Care Fund.

It was also reported that the external auditors were satisfied that in all significant respects the Council have put in place proper arrangements to

secure economy, efficiency and effectiveness in its use of resources for year ending 31 March 2014.

## **RESOLVED**

That the findings from the External report on value for money be noted.

### **14 External Audit: Findings Report 2013/14**

The Council's External Auditors provided Members with Findings Report for 2013/2014, which summarised the outcomes from the 2013/14 audit, which was substantially complete. It also included messages arising from the auditing of the Council's financial statements and the results of the work External Audit had undertaken to assess Council arrangements to secure value for money in the use of resources.

It was reported that the Council had robust financial arrangements in place to support the delivery of its strategic objectives. Strategic, service and financial plans are integrated, with officers and Members contributing to the planning process.

It was further reported that the Council was financially well managed and was particularly aware of its current financial position with a good track record in financial management.

## **RESOLVED:**

1. That External Audit's Findings Report 2013/14 be noted.
2. That the Director of Finance and the Audit Department be thanked for hard work and support during the external audit process.

### **15 Statement of Accounts 2013/14**

The Director of Finance gave a presentation on the Statement of Accounts for 2013/14 and submitted a report summarising the main features of the document.

The Statement of Accounts outlined the main features of the Council's financial performance for the year ending 31<sup>st</sup> March 2014 and provided information relative to the Council's financial position at that date.

The Accounts and Audit Regulations 2003 required that the draft Statement of Accounts is approved by 28<sup>th</sup> June 2014. This was then subject to audit by the Council's external auditor and published by 30<sup>th</sup> September 2014. Members discussed with Officers issues relating to the accounts for 2014/2015.

**RESOLVED:**

- 1) That the Committee note the outcome of the audit of the Council's financial statements and the Value for Money conclusion as presented by the Audit Commission in their Annual Governance Report for 2013/14.
- 2) That the Committee approve the Statement of Accounts for 2013/14.
- 3) That the Committee approve the proposal not to adjust the accounts in respect of the item identified by Grant Thornton and detailed in their Audit Findings Report.
- 4) That the Committee approve the draft letter of representation from the Director of Finance to the external auditors as shown in the appendix.

**16 Treasury Management Report – June to August 2014**

The Director of Finance presented to the Committee a report on the Treasury Management Quarterly report covering the period June 2014 to August 2014.

Members were reminded that the Council formally adopted CIPFA's revised Code of Practice on Treasury Management in the Public Services when they approved the 2014/15 Treasury Management Strategy at Finance Council on the 3rd March 2014. The CIPFA Code, Investment Guidance issued by the Department for Communities and Local Government (CLG) and the Audit & Assurance review of Treasury Management activities, all Members recommend an enhanced role for elected Members in scrutinising the Treasury Management function of the Council.

The report summarised the interest rate environment for three months, borrowing and lending transactions undertaken and the Council's overall debt position. It also reported on the position against the Prudential Indicators established by the Council.

**RESOLVED:**

That the Committee to note the Treasury Management position over the quarter from June 2014 to August 2014.

**17 Draft Treasury Management Annual report 2013/14 and Mid-Year Strategy Review 2014/15**

The Director of Finance provided the Committee with the Annual Treasury Management Report for 2013-14 and Mid-Year Treasury Strategy Review for 2014/15.

**RESOLVED:**

That the Committee approve the draft Treasury Management Outturn for 2013-14 and Mid-Year Strategy Review for 2014-15 and that it be submitted to the Council for approval on 6th November 2014.

**18 Audit & Assurance–Progress & Outcomes to 31 August 2014**

The Audit & Assurance Manager submitted a report which updated the Committee on progress and outcomes against the Audit & Assurance Plan 2014/15 in terms of outcomes achieved to date for the financial year.

The report focused on a number of key areas in Audit & Assurance, in particular:

- Counter Fraud
- Housing Benefit
- Cash Handling – Darwen Library Theatre
- Blackburn Central High School

**RESOLVED:**

That the Committee note the outcomes achieved to 31 August 2014 against the Audit & Assurance Plan, which was approved by Committee in April 2014.

**19 Risk Management – 2014/15 Quarter 1 Review**

The Head of Audit, Assurance and Procurement provided the Committee with a report that detailed risk management activity that had taken place over the first quarter (1 April 2014 to 30 June 2015).

Members were reminded that the Council recognised that risk management was not simply a compliance issue, but rather a way of viewing its operations with a significant impact on long-term viability. It was noted that risk management helped to demonstrate openness, integrity and accountability in all of the Council's activities.

It was highlighted to Members that currently the top corporate risks were:

- Adequacy of Resources
- IT Infrastructure
- High profile serious/critical safeguarding incident/case that is known to Council services.

**RESOLVED:**

That the Audit Committee re-affirms their support for the Council's approach to Risk Management and to note progress made on the Corporate Risk Register as at Quarter 1 2014/15.

**Signed** .....  
**Chair of the meeting at which the Minutes were signed**  
**Date** .....