

**AUDIT AND GOVERNANCE COMMITTEE      HELD:                      25 SEPTEMBER 2012**  
Start:                      7.00 p.m.  
Finish:                     8.20 p.m.

**PRESENT:**

Councillors:            Pope (Chairman)  
                              Forshaw (Vice-Chairman)

Councillors:            Cheetham                      G. Hodson  
                              Dereli                            G.Jones  
                              Gagen                            Pendleton  
                              Griffiths                         Westley

Officers:                Borough Solicitor (Mr. T. Broderick)  
                              Borough Treasurer (Mr M Taylor)  
                              Audit Manager (Mr. M. Coysh)  
                              Assistant Member Services Manager (Mrs. J. Denning)

In attendance:        Councillor Hennessy  
                              Clare Degan (Audit Commission)  
                              Paul Thompson (Audit Commission)

**11. APOLOGIES**

Apologies for absence were received from Councillor Pryce-Roberts.

**12. MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 4, Members noted the termination of Councillor Grant and the appointment of Councillor Griffiths for this meeting only, thereby giving effect to the wishes of the Political Groups.

**13. DECLARATIONS OF INTEREST**

Councillor Westley declared a non-pecuniary interest in respect of agenda item no. 5, the Audit Commission Annual Governance Report and Statement of Accounts, as a Member of Lancashire County Council and Chairman of the LCC Pension Fund.

**14. MINUTES**

RESOLVED:            That the minutes of the meeting of the Committee held on 26 June 2012 be received as a correct record and signed by the Chairman.

**15. AUDIT COMMISSION ANNUAL GOVERNANCE REPORT AND STATEMENT OF ACCOUNTS**

Consideration was given to the report of the Borough Treasurer, as contained on pages 89 to 118 of the Book of Reports which provided details of the Annual Governance Report from the External Auditors and sought approval of the Statement of Accounts.

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The Committee was advised that this would be the last Governance report produced by the Audit Commission due to Grant Thornton taking over the external audit function from 1 September 2012 with a saving of £42,000.

The Audit Commission referred to the recommendation in Appendix 1 in respect of declaration of interests for “key management personnel.”

Comments and questions were raised in respect of the following:-

- Value For Money Studies
- Valuation of Housing Stock
- Insurances and future liabilities
- Charges for responding to correspondence from members of the public.

RESOLVED: A. That the Audit Commission’s Annual Governance Report set out in Appendix 1 to the report be noted.

B. That the Accounts be approved in accordance with the relevant Accounts and Audit Regulations.

C. That the Letter of Representation set out in Appendix 2 to the report be approved.

**16. INTERNAL AUDIT ACTIVITY APRIL TO SEPTEMBER 2012**

Consideration was given to the report of the Borough Treasurer as contained on pages 119 to 124 of the Book of Reports which reported on the progress made against the 2012/13 Audit Plan to date.

Comments and questions were raised in respect of the following:-

- Vacancy Appointments
- Electronic Ordering
- New payroll arrangements
- Reduction in agency staff and short term contracts
- Monitoring of the Audit Plan

RESOLVED: That members noted the progress made in the year.

**17. REGULATION OF INVESTIGATORY POWERS ACT QUARTERLY MONITORING OF USE OF POWERS**

Consideration was given to the report of the Borough Solicitor as contained on pages 125 to 128 of the Book of Reports, the purpose of which was to monitor on a quarterly basis the use of the Regulation of Investigatory Powers Act 2000 (RIPA) to ensure it is being used consistently with the Council’s Policy.

RESOLVED: A. That the Council’s RIPA activity be noted.

- B. That it be noted that the procedure for applying for authorisations to carry out directed surveillance and for the use of Covert Human Intelligence Sources will change from 1 November 2012.

**18. DATA QUALITY PROTOCOL**

Consideration was given to the report of the Transformation Manager as contained on pages 129 to 138 of the Book of Reports, the purpose of which was to update members regarding issues at a national level affecting data quality management within the Council and to approve a local Data Quality Protocol.

- RESOLVED:
- A. That the Data Quality Protocol attached to the report be endorsed as a replacement Data Quality Strategy.
  - B. That regular reports relating to the superseded Data Quality Strategy be removed from the Audit and Governance Work Programme.
  - C. That the Transformation Manager be requested to submitted a report to a future meeting on the effectiveness of the Protocol and the Committee's Work Programme be amended accordingly.

**19. REVIEW OF FRAUD, BRIBERY AND CORRUPTION ISSUES**

Consideration was given to the report of the Borough Treasurer as contained on pages 139 to 170 of the Book of Reports which provided a summary of the fraud, bribery and corruption issues facing the Council and the action being taken to deal with them.

- RESOLVED:
- A. That the updated Anti Fraud, Bribery and Corruption Policy as set out in Appendix 1 of the report be endorsed for agreement under delegated authority.
  - B. That the self assessment of Fraud and Corruption issues as set out in Appendix 2 of the report be noted.
  - C. That the Counter Fraud Plan as set out in Appendix 3 to the report be endorsed.

**20. AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME**

Consideration was given to the Committee's programme of work, as contained on page 171 of the Book of Reports.

RESOLVED: That the work programme be amended as follows:

- A. That the training session in September 2013 be Housing-Self financing.
- B. That "the effectiveness of the Data Quality Protocol" be included in the September 2013 meeting.

- C. That “a basic guide to Governance” be provided at a future training session.

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- CHAIRMAN -