

**Lancashire County Council
Audit Committee**

Monday 26 March 2012

Minutes

Present:

County Councillors

S Chapman (Chair)

K Brown
J Lawrenson

M Welsh
D Westley

M Younis

Officers in attendance

George Graham – deputy county treasurer
Ruth Lowry – head of internal audit
Fiona Blatcher – senior audit manager, Audit Commission
Karen Murray - district auditor, Audit Commission
Roy Jones - assistant county secretary
Cath Rawcliffe – committee support officer

1. Apologies

Apologies were presented on behalf of County Councillor C Grunshaw.

2. Disclosure of Personal and Prejudicial Interests

County Councillor David Westley declared a personal interest in item 4 as a West Lancashire Borough Council Cabinet Member involved in the transfer of borough council ICT services to One Connect Ltd.

3. Minutes of the Meeting held on 23 January 2012

Resolved: That the minutes of the meeting held on 23 January 2012 be confirmed and signed by the chair.

4. Internal Audit Service progress report

Ruth Lowry, head of internal audit, presented a report on the work undertaken by the Internal Audit Service for the year to date and the detailed analysis of assurance assignments within the year. It was noted that the findings included

in the report had been agreed with executive directors and shared with the Management Team.

The committee noted that at their last meeting they had agreed that cabinet members should be made aware of the matters arising from internal audit reports and those in particular where limited or no assurance had been given. The committee was advised that feedback had been received that it would be more appropriate for the services' executive directors to provide these reports to the relevant cabinet members and to discuss the issues with them. However, as the committee was keen to ensure there was an element of accountability in the process, it was agreed that any views expressed by cabinet members be reported back to the Audit Committee by the Internal Audit Service.

In respect of the findings included in the report, the committee expressed concern at the 'limited assurance' awarded to the management of vehicle assets. The committee endorsed the view that there should be one point of contact within the council that administered hired and leased vehicles and requested that an interim report on the matter be presented to their next meeting in June.

The committee also expressed concern at the 'significant weaknesses' identified with regard to the information risk management processes within the council's ICT services. The committee requested that a senior manager from within the ICT Service be invited to the next meeting to explain the developments and action being taken to manage the council's information risks.

The committee noted an update on the controls in place to manage the referral of children's social care cases and that a further report would be made available to members prior to the next meeting.

Resolved: That:

- i) The internal audit progress report for the eleven months to 29 February 2012 as now presented, be noted.
- ii) The views of cabinet members on any corporate or service area where limited or no assurance has been given by the Internal Audit Service be presented to the Audit Committee.
- iii) A senior manager of the council's ICT Service to be invited to attend the next meeting to explain developments to the service.
- iv) A progress report on the findings on the management of vehicle assets be presented to the next meeting of the Audit Committee in June 2012.

5. Internal Audit Service: Audit Plan 2012/13

Ruth Lowry, head of internal audit, presented the internal audit work plan for 2012/13 which set out the plan of work to be undertaken by the county council's Internal Audit Service for the coming financial year.

The plan amounted to a total resource input to the county council of 2,800 days and was intended to provide assurance that the chief executive and leader of the council need that the risks to the council's objectives were being adequately and effectively controlled.

The committee was invited to avail themselves of the opportunity to view any of the internal audit service reports on completion of each audit.

Resolved: That the audit plan for 2012/13 be approved.

6. Audit Commission – Audit Committee update report March 2012

Karen Murray, district auditor, presented an update of the audit work undertaken by the Audit Commission against the 2011/12 Audit Plan for the Council and Pension Fund.

It was noted that progress was on track and there were no issues or new audit risks to report. The report also included an update on the future of local public audit and the externalisation of the Audit Practice.

Resolved:- That the report be noted.

7. Audit Commission – 2010-11 Certification of claims and returns annual report

Fiona Blatcher, senior audit manager presented a report on a summary of the Audit Commission's work on certifying the council's 2010/11 claims and returns. It was noted that five claims/returns had been audited with a value of over £130m and that no significant issues had been reported.

Resolved: That the report be noted.

8. Urgent Business

There were no items of urgent business.

9. Date of Next Meeting

Resolved: It was noted that the next meeting of the committee would be held on Monday 25 June 2012 at 2.00 p.m. at the County Hall, Preston.

County Hall
Preston

I M Fisher
County secretary and solicitor