

AUDIT COMMITTEE

TUESDAY, 30 MARCH 2010

PRESENT:- Councillors Michael Dickinson (Chair), Des Moffatt (Vice-Chair), Steve Allsopp, Nick Martin, Mary Martin, Bill Morton and Peter Stoddart

An apology for absence was received from Councillors Eric Shaw.

47. Declarations of Interest

The Chair reminded Members of the need to declare known interests in any matters to be considered at the meeting. The Chair and Councillor Nick Martin made personal and pecuniary declarations of interest in respect of the Committee's consideration of the Internal Audit review of Greendown Community School (agenda Item No. 5). The Chair explained that both himself and Councillor Martin were LEA appointed governors of the school and that, on the advice of the Director of Law and Democratic Services, they would leave the room during the Committee's consideration of the matter. It was noted that Councillor Des Moffatt, the vice-chair of the Audit Committee, would chair the meeting for this item.

48. Public Question Time

No questions were asked under Standing Order 18.

49. Minutes

Resolved - That the minutes of the meeting held on 26th January 2010 be confirmed and signed.

50. Internal Audit reports identifying significant risk or 'of concern' :Greendown Community School

The Committee received the Internal Audit report on the financial procedures and associated controls at Greendown Community School, finalised in November 2009 when an overall assessment of "Of Concern" was given. The Committee also considered the Department for Children, Schools and Families' (DCSF) Financial Management Standard in Schools (FMSIS) assessment, the school having failed to meet the standards required by the assessment criteria. The Head Teacher, Mr Clive Zimmerman, was present at the meeting to respond to members' questions on issues raised by the audit review and the FMSIS assessment and on progress in implementing the key recommendations of the audit report.

(Councillors Michael Dickinson and Nick Martin made personal and prejudicial declaration of interests in respect of the Committee's consideration of this item and left the room. Councillor Des Moffatt chaired the meeting for the Committee's consideration of this agenda item.)

Resolved – (1) That the report be noted.

(2) That it be further noted that a "re-inspection" of Greendown School was scheduled to be undertaken in April and that the summary report of that review

would be submitted for the Committee's consideration at the earliest opportunity afterwards.

(3) That the re-inspection report at (2) above should address the appropriateness and effectiveness of the school's responses to concerns regarding budget management and control issues, including an assessment of the specific issues raised in relation to individual roles and responsibilities in support of the school's financial management system.

**51. Internal Audit reports identifying significant risk or 'of concern' :
Recoupment**

The Committee received the Internal Audit report on the robustness of the financial management systems, including its budget monitoring systems, supporting the Council's Recoupment system, the process by which a local authority recovers costs from, or, alternatively, makes payments to, another local authority for the provision of Special Educational services. The audit review was finalised in January 2010 when an overall risk assessment of "Of Concern" was given. The Council's Director, Schools & Learning, was in attendance to respond to members' questions on issues raised by the audit review and on progress in implementing the key recommendations of the audit report.

Resolved – (1) That the report be noted.

(2) That the Cabinet Member for Children's Services be advised of the Committee's concerns regarding the systemic problem identified in relation to Recoupment and the balancing and reconciling of payments between local authorities for the provision of special educational services for pupils outside their resident local authority area, specifically the absence of an agreed process between local authorities in the south west region to determine charges for these services, and that he be encouraged to raise this matter at a regional level.

**52. Internal Audit reports identifying significant risk or 'of concern' :
Deputyships**

The Committee received the Internal Audit report on the robustness and efficiency of the Council's Deputyship system, the arrangement by which the Council, as a last resort in exceptional circumstances, is appointed by the Court of Protection as a deputy under the provisions of the Mental Capacity Act 2005, to manage the decision making, including financial matters, of an individual assessed as lacking the capacity to make such decisions for themselves. The audit review was finalised in October 2009 when an overall risk assessment of "moderate" was given, with significant improvements being required. The Council's Head of Services, Social Care Policy and Strategy, was in attendance to respond to members' questions on issues raised by the audit review and on progress in implementing the key recommendations of the audit report.

Resolved – (1) That the report be noted.

(2) That the officers be asked to consider how the Committee might best be kept advised of issues raised in audit reviews initiated by Capita in relation to services provided by them on behalf of the Council.

53. External Audit Progress Report and Briefing Note

Mr Peter Smith of the Audit Commission attended the meeting to present the March 2010 External Audit Progress Report, summarising the External Auditors' delivery

against the Audit Plan.

Resolved – That the External Audit Progress Report for the period to March 2010 be noted.

54. External Audit: Certification of Claims and Returns - Annual Report

Mr Peter Smith presented the Audit Commission's Annual report in respect of its certification of the Council's grant claims and returns for the Financial Year 2009/10.

Resolved – That the report be noted.

55. Draft Internal Audit Annual Plan 2010/11

The Head of Internal Audit submitted a report presenting the draft Internal Audit Annual Plan (2010/11) for approval by the Committee.

Resolved – (1) That the draft Internal Audit Plan for 2010/11 be approved.

(2) That, in line with members' comments, at the commencement of the Internal Audit Planning cycle in September, the Committee be given the opportunity to compare proposed priorities against the priorities of previous years in order that members might better assess the direction of travel and, where necessary, recommend changes in the allocation of audit resources.

56. Head of Internal Audit Update

The Committee received a report of the Head of Internal Audit summarising the main issues arising from the Internal Audit reports finalised since the last Audit Committee in January 2010, and progress against the annual internal audit plan. The report also incorporated an executive summary of the draft Swindon Borough Council and NHS Swindon Joint Recovery Plan in the event of a major incident or emergency.

Resolved – That the report be noted.