

AUDIT COMMITTEE

TUESDAY, 25 NOVEMBER 2008

PRESENT:- Councillors Michael Dickinson (Chair), Des Moffatt (Vice-Chair), Steve Allsopp, Mary Martin and Eric Shaw.

Apologies for absence were received from Councillors Mark Edwards and Peter Stoddart.

Councillor Nick Martin, Cabinet Member for Resources, was also in attendance.

Councillors Junab Ali, Rex Barnett, Derique Montaut and William Morton attended the meeting in respect of the member training presentation (Minute 28 refers).

24. Declarations of Interest

The Chair reminded Members of the need to declare any known interests in any matters to be considered at the meeting.

25. Public Question Time

Mr Brian Cockbill welcomed the proposed change to the Council's Constitution referred to afford the Audit Committee the authority to require "any member of the Cabinet or Senior Officer .. to attend before it .." (agenda item number 7 refers) and expressed his hope that this change would be agreed by the Committee and subsequently adopted by full Council. Mr Cockbill asked the following questions:

Question

1. Will "the Chair give assurances that:

- a) this Committee will maintain complete independence from 'the establishment' (i.e. Cabinet Lead Members and Officers responsible for actions taken under delegated powers) that this Committee are entrusted to oversee;
- b) all meetings will remain open to the Press and Public; and
- c) only genuine reasons to exclude the Press and Public will be used and proceedings will not be taken 'in camera' solely to avoid embarrassment to officers or fellow Council Members?"

Answer

The Chair responded that the Audit Committee is a standing committee of the Council and that, consequently, its proceedings are reported to Council and, as Chair, he was responsible to the Council for the actions of the Committee. However, apart from these requirements, the Committee sought to maintain an independence from the Council in fulfilling its function and he confirmed that no members of the Cabinet were also members of the Audit Committee. The Chair advised Mr Cockbill that public interest tests were applied to all reports submitted to the Committee and that a matter would only be considered "in camera" where a valid reason for

exemption could be exhibited under the terms Section 100A(4) of the Local Government Act 1972 .

2. “Does the Audit Committee’s remit include the Thamesdown Transport Bus undertaking?”

The Chair advised that the Thamesdown Transport Bus undertaking was not within the specific remit of the Audit Committee; however, since the Council is a shareholder in the company, the Leader of the Council and its Chief Executive could be questioned by the Audit Committee on matters relating to the bus company. It was also noted that the bus company’s financial accounting information would be received by the Audit Committee as part of its consideration of the Council’s consolidated accounts.

- 3 “When Council Members and officers receive payment for their attendance at meetings/events, is there a requirement for them to produce evidence of their presence in the form of:-
- a) minute of meeting(s);
 - b) report of meeting(s) or event(s);
 - c) notes of meeting(s) or event(s)
 - d) attendance list(s)

and is such evidence available for this Committee’s scrutiny and/or public inspection?”

The Chair referred Mr. Cockbill to Part 6 of the Council’s Constitution (the Councillors Allowances Scheme), that sets out the details of evidence required to be submitted by members in support of any allowances claim. He confirmed that this supporting evidence is available for public inspection.

The Chair thanked Mr. Cockbill for his attendance and for his questions.

26. Minutes

Resolved - That the minutes of the meeting held on 23rd September 2008 be confirmed and signed.

27. Exempt Items - Exclusion of Press and Public

That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the items listed below on the grounds that they involve the likely disclosure of exempt information as defined in the respective paragraphs of Part 1 of Schedule 12A of the Act.

<u>Item No.</u>	<u>Paragraph No.</u>	<u>Minute No.</u>
8	3	30
9 – 10	7	31 – 32

28.

Audit Committee - Member Training

Further to Minute 21, and the Committee's discussion of Audit Committee members' training requirements to assist them in fulfilling their role within the Council's assurance framework, the Head of Internal Audit made a presentation to the Committee on the topic of "the role of Internal Audit and the Audit Committee". The presentation covered the legal framework within which Internal Audit operates, standards for internal audit and its status within the authority, internal audit functions and practices, the audit planning and audit processes, internal audit structures, the role and responsibilities of the Audit Committee and the relationship between the Audit Committee and Internal Audit.

29. Update on Progress of implementing Internal Audit recommendations regarding Project Management

The Committee received a report of the Head of Internal Audit on progress in implementing recommendations arising from the Internal Audit review of Project Management within the Council. The Internal Audit report on the Council's Project Management system was originally considered by the Audit Committee in March 2008 and he identified fundamental weaknesses in the system that constituted a significant potential risk to the Council.

The Council's Group Director Business Transformation introduced the report, explaining the role of the Project Management Office (PMO) in improving the Council's project control and its project management capability and capacity, in order to make best use of available resources and better inform its business planning processes. Nick Vat, Project Manager, was also in attendance and reported to the Committee on progress made in implementing the various recommendations arising from the internal audit review.

Following the introduction of the report by the Group Director and Project Manager, members were given the opportunity to put questions to them. Issues raised by members included:

- the definition of what constitutes a "project" and the identification of all such current projects within the authority
 - the registration of projects with the Project Management Office
- the anticipation of "future joint working" and the competition for available resources
- the identification of "project dependencies"
 - the project management "toolkit" and the nature of support services available through the Project management Office
- the expansion of training provision in relation to project management
- the availability and accessibility of specific project information

Resolved – (1) That the report be noted.

(2) That all members of the Committee be provided with a copy of the project definition criteria being used by the Project Management Office in relation to the Council's project management activities and the identification and registration of projects.

(3) That the Group Director Business Transformation and the Project Manager be thanked for attending the meeting and for their comprehensive report

on progress in implementing recommendations arising from the Internal Audit review of Project Management within the Council.

30. Audit Committee – Proposed change to the Council’s Constitution

The Committee received a report of the Director of Law and Democratic Services on a proposed change to the Council’s Constitution to afford the Audit Committee the same authority as the Overview and Scrutiny Committees to require “any member of the Cabinet or Senior Officer (Chief Executive, Group Director or Director) to attend before it”, to facilitate consideration by the Committee of matters within the remit of such member or officer.

Resolved – That the Council be recommended that the proposed revision to Article 8 of the Council’s Constitution, set out in Appendix 1 to the report, enabling the Audit Committee to require “any member of the Cabinet or Senior Officer (Chief Executive, Group Director or Director) to attend before it” to facilitate consideration by the Committee of matters within the remit of such member or officer, be approved.

31. Risk Management Status Update

Alex Bedford, the Council’s Risk Manager, introduced a summary report on Risk Management activity within the Council. The report provided the Committee with an overview of key risk management issues within the Council, including the refresh of the Council’s Risk Management Strategy, risk management structures, the recent revision of the Corporate Risk Register, the volume and number of insurance claims made over the period of the last six months, business continuity management and civil contingency planning.

Resolved – That the summary report on Risk Management activity within the Council be noted.

32. Internal Audit reports identifying significant risk or ‘of concern’

The Head of Internal Audit submitted a report presenting the Internal Audit report on Benefits Claim Processing, finalised in April 2008, which had been classified as being of “significant risk”. The Council’s Director of Customer Services, Revenues & Benefits, introduced the Audit Report, summarising the issues identified within the report as presenting “significant risk” and advising the Committee of action that had been taken in response to the report’s key findings and recommendations.

Resolved – That the report, and the details of the management response to the key findings and recommendations of the internal audit review of Benefits Claim Processing, be noted.

33. Head of Internal Audit Update

The Committee received a report summarising the main issues arising from Internal Audit reports finalised in September and October 2008, and advising on progress against the Internal Audit Plan. The report also provided the Committee with information in respect of the staffing situation within internal audit.

Resolved – (1) That the report be noted.

(2) That the Internal Audit Report on Building Control, to be finalised shortly, be submitted to the next meeting of the Committee for consideration and that the relevant officers and responsible Cabinet Member be asked to attend that meeting.