

AUDIT COMMITTEE

TUESDAY, 27 JANUARY 2009

PRESENT:- Councillors Michael Dickinson (Chair), Des Moffatt (Vice-Chair), Steve Allsopp, Peter Stoddart and Keith Williams

Apologies for absence were received from Councillors Mary Martin and Eric Shaw.

34. Member Training - Local Authority Finance

Further to Minute 21 and the Committee's discussion of Audit Committee Member Training requirements to assist them in fulfilling their role within the Council's assurance framework, the Deputy Head of Finance (Core Finance), Darren Stevens made a presentation to the Committee on the topic of 'Local Authority Finance'. The presentation covered the current statutory requirements for the Council's financial statement for 2008/09, under the Statement of Recommended Practice (SORP) issued by the Audit Commission. Darren Stevens explained the main statements that the Council was required to prepare and their sub-statements and statutory deadlines for submission.

It was noted that the Committee would receive a report at its April meeting on the changes in requirements for the 2009/10 statement, which were not expected to be substantial. It was anticipated that the requirements for 2010 onwards would be substantially amended, but that the detail was not yet known.

35. Declarations of Interest

The Chair reminded Members of the need to declare any known interests in any matters to be considered at the meeting. No declarations were made.

36. Public Question Time

No public questions were received.

37. Minutes

Resolved - That the minutes of the meeting held on 25th November 2008, be confirmed and signed.

38. 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>
11-13	7	43-45

39. Review of the Internal Audit Strategy and Terms of Reference

The Head of Internal Audit submitted a report presenting the Strategy for the provision of Internal Audit, the Terms of Reference for Internal Audit, and Internal Audit's Performance and Quality Assurance Framework for approval by the Committee. It was noted the main change since these were last reviewed by the Committee was the Performance Management and Quality Assurance Framework, which on the advice of External Audit, brought together in one document rather than many how the Head of Internal Audit will ensure the effective performance of the Internal Audit section.

Resolved - That the Committee approves the strategy for the provision of Internal Audit within the Council, the terms of reference for Internal Audit, and the Performance Management and Quality Assurance Framework.

40. Audit Committee: Effectiveness of the system of Internal Audit

The Committee noted that in order to comply with The Accounts and Audit (Amendment) (England) Regulations 2006 the Council must, at least once a year, conduct a review of the effectiveness of its system of internal audit. The Committee now received a report on the review from the Head of Internal Audit, including confirmation that the Council had received an overall theme score for Internal Control of 3, within its Use of Resources assessment, including a notable practice score of 4 for probity and propriety, retained for a second year.

The Committee reviewed the update of the effectiveness of internal audit using the sources of assurance detailed in the report and previously reported to the March 2008 meeting of the Committee.

Resolved - 1) That the Head of Internal Audit and Director of Law and Democratic Services be congratulated on the Use of Resources: Internal Control score.

2) That the Committee confirm its satisfaction with the effectiveness of the Council's internal audit system, and that no areas of non-compliance with best practice had been identified.

41. Anti-Fraud & Corruption Strategy and Whistleblowing Procedure

The Head of Internal Audit presented the draft updated Anti-Fraud and Corruption Policy, Whistleblowing Policy and Fraud Response Plan. It was noted that the Standards Committee on 19th January 2009 had approved these documents to be finalised and issued by the Director of Law and Democratic Services and Head of Internal Audit, subject to any comments received from consultees, including the Audit Committee.

Resolved - That the Audit Committee endorse and approve the updated Anti-Fraud and Corruption Strategy, Whistleblowing Policy and Fraud Response plan.

42. CIPFA Benchmarking exercise of Internal Audit: 2009

The Committee received a report from the Head of Internal Audit presenting a summary of the 2008 benchmarking exercise carried out by CIPFA with regard to the Council's Internal Audit Service. It was noted that the service currently offered very good value for money, with a below average cost for the service, but with a higher qualified staff including 64% qualified compared to the national average of 32%.

Resolved - That the contents of the report be noted.

43. Internal Audit reports identifying significant risk or 'of concern'

The Head of Internal Audit submitted a report presenting the Internal Audit report on Building Control, finalised in December 2008, assessed as of 'moderate concern'. The Council's Director of Planning and Transport Strategy, Group Leader for Building Control, and Principal Auditor, summarised the issues identified within the report, and presented the management response outlining the actions to be taken in response to the report's key findings and recommendations.

Resolved - 1) That the Officers be thanked for their report.

2) That the comments contained in the management response be endorsed.

3) That the Director of Planning and Transport Strategy be authorised to adjust the target dates within the Management Report, subject to the approval of the changes by the Head of Internal Audit.

4) That the Director of Planning and Transport keep a robust and detailed log of complaints regarding the activities of Approved Inspectors.

44. Internal Audit reports identifying significant risk or 'of concern' - Government Connect

The Head of Internal Audit submitted a report presenting the Internal Audit report on the project for the Council to join the Government Connect Secure Extranet (GCSx). This project had been identified as of 'significant risk' to the Council. The Council's Group Director, Business Transformation and Head of IT summarised the issues identified within the report, and tabled an updated project Action Plan, and a copy of the HR Action Plan.

Resolved - 1) That the contents of the report be noted.

2) That the Head of IT identify by 13th February 2009 which Councillors have email forwarding in place, and arrange for alternative arrangements, including training on Citrix where appropriate.

3) That the Director of Law and Democratic Services send a copy of the Audit Report to the Leader of the Council highlighting the Committee's concerns at the timescales for implementation of the Government Connect Secure Extranet and the risks involved.

45. Head of Internal Audit Update

The Committee received a report summarising the main issues arising from the Internal Audit reports finalised since the last meeting of the Committee in November, and advising on the progress against the Internal Audit Plan. The Committee also noted an update on respect of the staffing situation within internal audit.

Resolved - 1) That the report be noted.

2) That the Internal Audit Reports on Strategy for Waste and on Cash Collection, be submitted to the next meeting of the Committee for consideration and that the relevant officers and responsible Cabinet Members be invited to attend the meeting.

3) That the report on Capita contract management be submitted to the next meeting if finalised in time.