

## **MINUTES OF THE AUDIT COMMITTEE**

**24 JUNE 2008**

### **Present:**

Councillor J.D. Pinkerton (Chairman)

### **Councillors:**

M.L. Bouquet

L.E. Nichols

H.A. Thomson

M.J. Collis

E. O'Hara

M.T. Royer

### **198/08 MINUTES**

The minutes of the meeting held on 22 May 2008 were approved as a correct record.

### **199/08 MATTERS ARISING FROM THE MINUTES**

#### **Alternate Weekly Collection Project – Risk Management Process**

The Chairman informed the Committee that in connection with Minute 96/08 it was suggested that the Committee receive a presentation on the Alternate Weekly Collection project at its next meeting, to follow the risk assessment process of a project which had been completed.

#### **Shredding of Confidential Information**

In connection with Minute 97/08, the Internal Auditor confirmed that a protocol for shredding of confidential information was in place and available for Members to view on Spelnet and showed the Committee examples of shredded material.

#### **RESOLVED** that

1. the Committee receive a presentation on the Alternate Weekly Collection project in connection with the risk assessment process, at its next meeting;
2. the protocol on shredding of confidential information be noted.

### **200/08 ROLE OF THE AUDIT COMMITTEE**

The Chairman proposed that due to the length of the agenda, this item be postponed so that it may be presented separately at an informal meeting of the Committee on 21 July.

**RESOLVED** to postpone the presentation of the Role of the Audit Committee to an informal meeting of the Committee on 21 July 2008.

### **201/08 CORPORATE RISK REGISTER**

The Senior Auditor reported that the Corporate Risk Register had undergone its quarterly review and update by the Corporate Risk Management Group to ensure actions were being taken on identified risks.

The revised register was considered to be an accurate reflection of the high level risks affecting the authority. Progress on actions proposed had been made in a number of areas and further actions had been proposed in some areas to improve

controls further. She detailed those areas where risks had not yet been fully addressed.

Members expressed concern that the emergency plan had not been tested for some time. The Committee authorised the Chairman to contact the Borough's emergency plan officer and if a satisfactory response was not forthcoming, request the attendance of the officer before the next meeting of the Committee.

**RESOLVED** that

1. the contents of the Corporate Risk Register be noted and
2. the Chairman be authorised to contact the Borough's emergency plan officer in relation to testing of the emergency plan and if a satisfactory response was not forthcoming, request the attendance of the officer before the next meeting of the Committee.

## **202/08 CORPORATE RISK REGISTER – UPDATES FROM HEADS OF SERVICE**

At its meeting on 27 March, the Audit Committee agreed to request the attendance of the Heads of Environmental Health and Asset Management to explain why high level corporate risks had not been addressed.

### **Contaminated Land**

The Head of Environmental Health attended the Committee to explain and answer members' questions on the issues relating to undertaking risk assessments of contaminated land.

He explained that the process the Council had to follow in relation to contaminated land was prescribed by existing Defra guidelines. Further guidelines on soil contamination levels were awaited and until these had been published it would not be appropriate to undertake a risk assessment. He answered Members' questions on the Council's financial liability should it be found necessary to take remedial action on the land.

### **Asset Management**

The Head of Asset Management attended the Committee to advise members of the latest position with regards to preparing a procedure to clarify health and safety responsibilities where the authority leases out assets.

He explained that the Council had a legal responsibility to ensure that groups who used leased properties had carried out Health and Safety assessments in respect of the building and facilities they used. He had already established the number of leased properties and which of these were used by professional or non-professional organisations. The problem with the latter group was that the responsibility for health and safety had not been clear and therefore some of the buildings might need review.

The next stage was to visit each of the properties and determine the facilities on site, in order to establish the works that needed addressing to upgrade the site to acceptable standards. He outlined the project plan for completing these works and agreeing on future responsibilities.

**RESOLVED** that the explanations be noted and the officers be thanked for their presentations.

**203/08 ANNUAL GOVERNANCE STATEMENT**

The Chief Finance Officer presented his report and outlined the content of the Annual Governance Statement (AGS) 2007-08.

He explained that in previous years the Council had to produce an annual Statement on Internal Control which was appended to the Statement of Accounts. The AGS extended the coverage of the Statement on Internal Control to reflect how the organisation conducted its business, both internally and in its dealings with others, which provided a useful and practical opportunity to look at a wide range of governance issues.

He outlined the process followed in reviewing the effectiveness of Internal Control and producing the AGS.

**RESOLVED** that

1. the draft Annual Governance Statement be approved and
2. the four improvement actions identified in the Statement under the heading "significant governance issues" be endorsed.

**204/08 OUTTURN AND STATEMENT OF ACCOUNTS**

The Chief Finance Officer presented the Statement of Accounts for 2007/08 which were subject to review by the Council's External Auditors, and responded to questions from Members.

The Accounts and Audit Regulations required that the accounts for 2007/2008 be completed and approved by the Audit Committee by 30 June 2008, and be signed by the Leader of the Council and the Council's Chief Financial Officer.

**RESOLVED** that

1. the draft Statement of Accounts for 2007/2008 be approved and
2. the Leader of the Council and the Council's Chief Finance Officer be authorised to sign the Statement of Accounts.

**205/08 AUDIT SERVICES ANNUAL REPORT**

The Head of Audit Services presented her report which summarised the work undertaken by Audit Services during the period April 2007 – March 2008 and responded to questions from Members. Internal audit's overall opinion on the Council's internal control environment, based on the work undertaken in 2007/08 was that it was adequate and effective.

She gave updates on areas of work where action was outstanding on recommendations relating to risks, including:

- Recovery action on debts relating to bed & breakfast;
- Independent checks on payroll transactions;
- Outstanding Penalty Charge Notices (PCNs)

Members were concerned that Audit Services had been advised last year that the problems associated with transmitting data to the Traffic Enforcement Centre had been resolved, when this was not in fact the case. There was now a possibility that a large number of PCNs would be written off, due to the passing of time, at a financial cost to the Council.

The Committee authorised the Chairman to contact the Head of Parking Services requesting an explanation as to why Audit Services had been advised that this problem had been resolved when that was not the case.

**RESOLVED** that

1. the Audit Services Annual report for the period April 2007- March 2008 be approved and the overall opinion on the Council's systems of internal control be noted and
2. the Chairman be authorised to contact the Head of Parking Services to request an explanation as to why Audit Services had been advised that the problems associated with transmitting data to the Traffic Enforcement Centre had been resolved, when they had not.

**206/08      AUDIT SERVICES ANNUAL REVIEW**

The Head of Audit Services presented the Annual Review of Internal Audit which was required by the Accounts and Audit Regulations 2006 to provide assurance that the authority's risk management processes, control systems, accounting records and governance arrangements were in place and operating properly.

The nature of this Review had not been specified externally as there were no nationally set indicators, but advice had been obtained regarding issues which should be considered and these were outlined by the Head of Audit Services.

She highlighted achievements by Audit Services during 2007/08 and actions identified to improve the Audit Service in the coming year. She acknowledged the high standard of work achieved by the Audit team.

**RESOLVED** that

1. the Audit Services Annual Review 2007/08 be noted and
2. the Committee recognises the achievements of Audit Services..

**207/08      COMMITTEE WORK PROGRAMME 2008/09**

The Committee considered its Work Programme for the 2008/09 Municipal year.

**RESOLVED** that the Work Programme as submitted be approved.