

MINUTES OF THE AUDIT COMMITTEE

26 MARCH 2009

Present:

Councillor M.T. Royer (Chairman)

Councillors:

M.J. Collis

S.J. Rough

L.E. Nichols

H.A. Thomson

Apologies: Councillors M.L. Bouquet and E. O'Hara

In attendance

Miss S. Faulkner – Vice-Chairman of the Standards Committee

77/09 MINUTES

The minutes of the meeting held on 27 November 2008 were approved as a correct record, subject to the inclusion of the name of Councillor S.J. Rough in the list of attendance.

78/09 MATTERS ARISING FROM THE MINUTES

Min 352/08 relevant managers to be advised of the Committee's concern at outstanding high risk recommendations.

At its last meeting the Audit Committee expressed concern that there were as many as nine high risk recommendations outstanding and requested that their concern, and the need for outstanding issues to be addressed without further delay, be communicated to the relevant managers.

The Head of Audit Services reported that managers had been reminded of the Committee's concerns and all high and medium risk recommendations had been circulated to the Assistant Chief Executives for responses, in the last month and discussed at the last Management Team meeting. The remaining outstanding high risk recommendations mostly related to Business Continuity Plans and were being addressed.

Min 352/08 Head of Audit Services to report back to the Committee on the authorisation arrangements for procurement by officers.

At the last meeting of the Audit Committee, Members sought assurance, in response to the issue of officer compliance with Contract Standing Orders, that the Head of Audit Services was satisfied with the authorisation arrangements for procurement by officers.

The Auditor explained the procurement authorisation process which required managers to electronically authorise all purchases up to previously agreed limits set by the former directors. If a purchase was entered in the system beyond the limit of the buyer, authorisation would automatically be sent up the management levels. The Head of Audit Services confirmed that she was satisfied with these arrangements.

79/09 CORPORATE RISK MANAGEMENT

Parking Services Risk Assessment - update

The Head of Environment Services attended the meeting to update the Committee on action taken as a result of the findings from the Parking Services risk assessment, which had highlighted a number of issues of concern to Audit.

She reported that all the issues raised in relation to Parking Services had been addressed through a management action plan and detailed the action taken against each risk highlighted.

Risk Assessment of Contaminated Land - update

The Head of Environmental Health and Building Control Services and the Environmental Health Manager attended the Committee to provide an update on the issues surrounding risk assessments of contaminated land sites which had been outstanding for over a year awaiting government guidance on the review of soil guideline values.

The Environmental Health Manager reported that the government review of Soil Guideline Values was complete. Their position had been clarified as screening values. The Local Authority would use these to conduct site specific risk assessments which it was required to undertake to define its own contaminated land sites.

The Environmental Health team now hoped to work with the Audit team to progress the risk assessment of the Council's activities associated with land contamination work, between April and end of June 2009.

The Environmental Health Manager explained that DEFRA funding would be harder to obtain in future and there was no guarantee of funds being available year on year. She advised that the risk assessment would consider future funding issues.

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. Good progress had been made in a number of areas on actions proposed to address high risks and these were documented on the register. Further actions had been proposed in some areas to improve controls.

The Senior Auditor gave details of two new actions recently added to the register and those areas where risks had not yet been fully addressed. In relation to the outstanding penetration testing of IT systems to comply with mandatory requirements, she reported that the ICT Manager had recently appointed a company to carry out this exercise and it was anticipated that it would be completed by the end of April 2009. The Committee requested that

the ICT Manager report back to the next meeting, if the work had not been completed by then.

RESOLVED

1. that the contents of the Corporate Risk Register be noted and accepted;
2. to recommend Executive that the Corporate Risk Register be approved;
3. that the ICT Manager attend the next meeting of the Committee in the event that the Penetration Testing of IT systems has not been completed.

80/09 AUDIT SERVICES QUARTERLY REPORT

The Head of Audit Services presented her report which outlined the work undertaken by Audit Services during the period October 2008 – December 2008 and responded to questions from Members. She highlighted significant areas of work including: matters which had been raised with the Streetscene Operational Manager and already addressed; the completion of a large piece of unplanned work requested by the external Auditor and examples of the benefits gained through joint working under the internal audit partnership.

RESOLVED that the Audit Services' Report for the period October 2008 – December 2008 be noted and approved;

81/09 AUDIT SERVICES ANNUAL PLAN 2009/10

The Head of Audit Services presented the Annual Plan which showed the scope and summary of planned audit work for 2009/10. The Annual Plan demonstrated how the Council would fulfil the requirements of the Accounts and Audit Regulations 2003, in providing an effective internal audit service. The Plan was drawn up in accordance with the CIPFA Code of Practice for Internal Audit and was supported by risk assessments undertaken for each service during the year.

The Annual Plan also reflected the requirements imposed by external audit.

RESOLVED that the Audit Services Annual Plan 2009/10 as submitted be noted and approved.

82/09 ANTI-FRAUD AND CORRUPTION STRATEGY

The Head of Audit Services presented the Anti Fraud and Corruption Strategy for review by the Audit Committee. The Strategy formed part of the Council's overall Corporate Governance arrangements and was intended to assist in reducing the risk of fraud and corruption. The Executive had approved recent amendments to the Strategy, which had been updated to reflect current staffing structure and changes in names of Government departments.

RESOLVED that the Anti Fraud and Corruption Strategy be noted and approved.

83/09 ANNUAL AUDIT AND INSPECTION LETTER AND EXTERNAL AUDITORS' ANNUAL EXTERNAL AUDIT REPORT

The Chairman introduced Paul Chambers from the Audit Commission and Rebecca Pett from KPMG, the Council's External Auditors. Mr Chambers presented the Audit Commission's assessment of the Council, including the Direction of Travel report, which set out progress against corporate priorities and comparable performance for 2007/08. He highlighted the key audit messages for the Council and the action it needed to take.

Ms Pett presented the external auditors' annual external audit report, which informed part of the Audit Commission annual letter. She advised that there were no new messages since the report had come to the Audit Committee last September.

The Committee wished to place on record their compliments to officers throughout the Council for their work in achieving an overall score of 3 for Use of Resources.

RESOLVED that the Annual Audit and Inspection Letter 2007/2008 and the external auditors Annual External Audit Report be noted.

84/09 COMMITTEE WORK PROGRAMME 2009/10

The Committee considered its Work Programme for the 2009/10 Municipal year. Issues raised at this meeting would be incorporated into the programme.

RESOLVED that the Work Programme as submitted and amended be approved.