

MINUTES OF THE AUDIT COMMITTEE

27 MARCH 2008

Present:

Councillor J.D. Pinkerton (Chairman)

Councillors:

M.L. Bouquet
M.J. Collis

H.A. Thomson
C.V. Strong

Apologies: Councillors K. Chouhan and E. O'Hara

94/08 MINUTES

The minutes of the meeting held on 18 December 2007 were approved as a correct record.

95/08 ANNUAL AUDIT AND INSPECTION LETTER

The Chairman introduced Chris Westwood and Mel Campbell from the Audit Commission. Mr Westwood presented and summarised the Audit Commission's appraisal of the Council, which had drawn on audit, inspection and performance assessment work. The letter included the Audit Commission's review of how well the Council had progressed and how well it had managed its finances.

He highlighted the main messages for the Council and the action it needed to take and together with the Head of Financial Services and the Assistant Chief Executive (Policy and Business Review), answered questions from members.

Members asked about the Equality Standard and the Assistant Chief Executive (Policy and Business Review) agreed to circulate a summary of the Standard for the information of members.

RESOLVED that the findings contained in the Annual Audit and Inspection Letter 2007/2008 be noted.

96/08 CORPORATE RISK MANAGEMENT

The Chairman proposed and Members of the Committee agreed to take item 8 (Corporate Risk Management) on the agenda immediately after item 5 (Annual Audit and Inspection Letter) to enable the Assistant Chief Executive (Policy and Business Review) to address the Committee at an earlier stage of the meeting.

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.

She outlined the areas where progress had been made on actions proposed since the last review and those where additional actions had been proposed to improve controls further.

At the December meeting of this Committee, members had asked that, where action had not been taken to address high level corporate risks, the relevant Head of Service be invited to attend the next meeting of the Committee to update members on progress made.

Arising from this decision the Assistant Chief Executive (Policy and Business Review) attended the meeting to inform members on progress with updating and testing Business Continuity Plans (BCP), which had not been done since February 2007. He advised that all services had now updated their BCP and confirmed that testing would take place following officer assessment of the plans.

He also gave members an update on project management within the Council. Major projects were assessed on both their level of financial and reputational risks to the authority which were reviewed periodically throughout the course of the project. Controls were exercised by Management Team and Project Management boards.

The Committee asked to see an example of a major project the Council had undertaken and it was agreed that members would select a project and this would be circulated by the Assistant Chief Executive (Policy and Business Review).

He further advised members on the latest position with regards to service plans, which were being updated to reflect the new Corporate Priorities.

The Senior Auditor detailed areas where there had been a lack of progress on actions and it was agreed to invite the Head of Environmental Health to the next meeting of the Committee to explain the issues relating to undertaking risk assessments for contaminated land. It was further agreed to invite the Head of Asset Management to attend the next Committee to justify his timescales for preparing a document to clarify health and safety responsibilities where assets were leased, unless he was able to come to an agreement to carry out these functions in a more timely manner which was acceptable to the Head of Audit Services.

RESOLVED

1. That the contents of the Corporate Risk Register be noted.
2. That the Assistant Chief Executive (Policy and Business Review) circulate to the Committee details of a major project, of the Committee's choice, which the Council had undertaken.
3. That the Head of Environmental Health be invited to attend the next meeting of the Committee to explain the issues relating to risk assessments of contaminated land.
4. That the Head of Asset Management be invited to attend the next meeting of the Committee to justify his timescales for preparing a document to clarify health and safety responsibilities where assets were leased, unless he was able to come to an agreement to carry out these functions in a more timely manner which was acceptable to the Head of Audit Services.

97/08 QUARTERLY AUDIT AND RISK REPORT

The Head of Audit Services presented her report which outlined the work undertaken by Audit Services during the period December 2007 – February 2008 and responded to questions from Members. She highlighted significant areas of work including the internal audit partnership with Surrey Heath, external audit testing and information security.

She reported on the North West Surrey Chief Executives and Leaders Partnering Project to investigate shared services between Elmbridge, Runnymede, Surrey Heath and Spelthorne Borough Councils. It had been agreed to extend the audit partnership to Elmbridge and the Deputy Chief Executive would be meeting with Elmbridge to discuss the way forward with this partnership. Runnymede had declined to participate.

The Head of Audit Services also informed members of the steps that had been taken to control risks in relation to information security following the loss of payroll documentation by a Council contractor. In relation to the new shredding arrangements for confidential information, the Committee asked whether there was a protocol for deciding which documents were classified as confidential and therefore needed to be shredded. The Head of Audit Services agreed to investigate this matter and report back to the next meeting.

RESOLVED

1. That the contents of the Audit Services Report: December 2007 – February 2008 be noted and approved;
2. That the Head of Audit Services investigate whether a protocol was in place for shredding of confidential information and report back to the next meeting of the Committee.

98/08 AUDIT SERVICES ANNUAL PLAN 2008/09

The Head of Audit Services presented the Annual Plan which showed the scope and summary of planned audit work for 2008/9. 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 2008/09 as submitted be noted and approved.

99/08 COMMITTEE WORK PROGRAMME 2008/09

The Committee considered its Work Programme for June 2008.

RESOLVED that the Work Programme as submitted be approved, subject to the addition of those items agreed at this meeting.