

MINUTES OF THE AUDIT COMMITTEE

27 NOVEMBER 2008

Present:

Councillor M.T. Royer (Chairman)

Councillors:

M.L. Bouquet

L.E. Nichols

M.J. Collis

H.A. Thomson

Apologies: Councillor E. O'Hara

347/08 MINUTES

The minutes of the meeting held on 4 September 2008 were approved as a correct record.

348/08 ELECTION OF CHAIRMAN

Following the resignation of Councillor J.D. Pinkerton as Chairman of the Audit Committee, it was

RESOLVED that Councillor M.T. Royer be appointed Chairman for the remainder of the Municipal year.

349/08 MATTERS ARISING FROM THE MINUTES

Minutes 205/08 and 270/08 – Update on PCNs

The Head of Environment Services attended the meeting to explain why inaccurate information was passed by the Parking Services Manager to Audit in 2007. She reported that there had been problems with the Parking Charge Notices (PCNs) software, which had also been experienced by other authorities.

She explained that information on unpaid PCNs was provided in good faith as the system appeared to be working but due to failure to fully understand the issues with the software, it was only subsequently discovered to be incorrect. This error should have been reported to appropriate officers. There were still difficulties with the software but they were being overcome and the Head of Audit Services was satisfied that the problem had been resolved.

As a result of the problems in transmitting unpaid PCNs to the Traffic Enforcement Centre the Council had to write off 140 PCNs at a value of £95 each, totalling £13,300. Since the system had become operative, £1758.84 had been recovered.

Minute 271/08 – Council responses on External Auditor recommendations

The Assistant Chief Executive reported that the Council had agreed to implement all 10 of the External Auditor's recommendations relating to financial accounting issues.

He was awaiting confirmation from KPMG that they were happy with the Council's responses, which were available for Members to view if they wished. KPMG would

be attending the Audit Committee meeting in March 2009, when Members could ask any questions arising from the recommendations or responses to them.

**350/08 ALTERNATE WEEKLY COLLECTION PROJECT RISK
MANAGEMENT PROCESS**

At its March 2008 meeting the Audit Committee asked to see an example of a major project the Council had undertaken, in order to follow the Risk Management Process and agreed at its June 2008 meeting to receive such a presentation on the Alternate Weekly Collection project.

The Head of Environment Services gave a brief presentation on the process, which had involved a lot of work in a short timescale.

A Programme Board was set up which issued monthly “flash” reports covering the risks and issues raised at each point in the process. Solutions and controls were agreed at these meetings. Weekly project and communications meetings also covered the risks and issues in detail, on each area of the project.

A Risk and Service Overview was put together by internal audit to help ensure that all the key risks were covered centrally.

A Communications Plan was drawn up which gradually ramped up the level of detail being published to help mitigate residents’ concerns and potential lack of participation in the scheme. In addition, officers accompanied crews on their rounds to address problems swiftly. As a result, there were considerably less calls into the Council’s customer services centre than other authorities had experienced.

351/08 EMERGENCY PLANNING - TESTING

Arising from Members’ request at the September 2008 meeting, the Head of Environment Services gave an outline of a number of work streams underway on emergency planning, based on the Council’s duties under the Civil Contingencies Act 2004. A corporate Emergency Planning Exercise, which was a well used and effective tool for testing arrangements and based on guidance from the Cabinet Office, was scheduled for December 2008. The exercise was being developed in conjunction with Surrey County Council Contingency Planning Unit.

The Council had taken part in a Multi Agency Pandemic Flu exercise and two COMAH (Control of Major Accidental Hazards) exercises, one of which was a live test in partnership with the Fire Service. Other exercises were planned for 2009, including an ‘Emergency Control Room’ test and a Rest Centre exercise.

She gave information on other areas of emergency planning work including the Flood Plan, Flood Fair, Pandemic Influenza Plan, Communications Plan, Business Continuity Forum, Incident Liaison Officers and the Fuel Crisis.

Partnership working across Surrey was constant and officers also had ties with Richmond, Kingston, Windsor and Maidenhead, Hounslow, GOSE, the Cabinet Office and Heathrow emergency planning.

352/08 AUDIT SERVICES QUARTERLY REPORT

The Head of Audit Services presented her report which outlined the work undertaken by Audit Services during the period July 2008 – September 2008 and responded to questions from Members. She highlighted significant areas of the report including review of Parking Services risk assessment, review of tendering process for planned maintenance contract and internal audit partnership.

Following a request from Members at the last meeting, the Head of Audit Services reported on statistics relating to audit recommendations issued, implemented and outstanding. Details of the nine outstanding high risk recommendations were available on the new recommendation database.

The Audit Committee was concerned 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.

Following a review of the Parking Services risk assessment, Audit reported findings on which they had concerns, to senior management. In view of the number of issues highlighted in the report, Members requested an update from the Head of Environment Service at the next meeting.

In response to the issue of officer compliance with Contract Standing Orders, which was raised as an issue in several different service areas, Members sought assurance from the Head of Audit Services that she was satisfied with the authorisation arrangements for procurement by officers. She agreed to report back to the Committee on the procurement function at the next meeting.

RESOLVED that:

1. the Audit Services' Report for the period July 2008 – September 2008 be noted and approved;
2. relevant managers be advised of the Committee's concern at the outstanding high risk recommendations, which needed to be addressed without further delay;
3. the Head of Environment Services be asked to update the Committee on the findings from the Parking Services risk assessment, at the next meeting;
4. the Head of Audit Services report back to the Committee at its next meeting on the authorisation arrangements for procurement by officers.

353/08 CORPORATE RISK MANAGEMENT - REVIEW

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. She gave details of those areas where risks had not yet been fully addressed.

Members expressed concern that the risk assessment for contaminated land sites had been outstanding for over a year awaiting government guidance on the review of soil guideline values. A Member asked for the position to be clarified as they believed the government had given authority to Borough Council's to make their own decisions concerning contaminated land sites. The Senior Auditor advised that progress on this matter, as shown on the Risk Register, reflected the position at the time the report was written. The Committee requested that the Head of Environmental Health and Building Control Services be asked to attend the next meeting of the Committee to clarify this issue.

In response to a comment from a Member, the Head of Audit Services agreed that there were legal implications as a result of some of the risks identified and that these needed to be reflected in the report. This would be taken into account in future.

RESOLVED:-

1. that the contents of the Corporate Risk Register be noted and approved; and
2. that the Head of Environmental Health and Building Control Services be asked to attend and clarify the issues surrounding risk assessments of contaminated land sites, at the next meeting of the Committee.

354/08 CONFIDENTIAL REPORTING CODE (WHISTLEBLOWING POLICY)

The Head of Audit Services explained that the Confidential Reporting Code (Whistleblowing Policy) formed part of the Council's Constitution and set out how to raise serious concerns about any aspect of the Council's work and the legal protection against reprisals under the Public Interest Disclosure Act.

The Code was available on the Intranet, a leaflet had been placed on every notice board and regular reminders were given to staff of its existence.

In response to a question from a Member the Head of Audit Services agreed to confirm whether the policy was in compliance with changes to the law around the statutory nature of grievance.

RESOLVED to note and approve the Confidential Reporting Code (Whistleblowing Policy) as submitted.

355/08 COMMITTEE WORK PROGRAMME 2008/09

The Committee considered its Work Programme for the remainder of 2008/09 Municipal year. Issues raised at this meeting would be incorporated into the programme.

Members requested that Heads of Service, who had been asked to attend the Committee to report/update on issues raised, provide a briefing paper for circulation prior to the meeting.

AUDIT COMMITTEE, 27 NOVEMBER 2008 - Continued

RESOLVED that

1. the Work Programme as submitted and amended be approved.
2. Heads of Service who had been asked to attend Committee to report /update on their area, be asked to provide a briefing paper for circulation prior to the meeting.