

AUDIT COMMITTEE

20th December, 2006

PRESENT - Councillor Baldwin (in the Chair); Councillors Harker and Johnson and Mr. J. Morton.

APOLOGIES -

ABSENT -

A17. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

A18. MINUTES – RESOLVED – That the Minutes of the meeting of this Committee held on 11th October, 2006, having been circulated, be taken as read and approved as a correct record.

A19. NOTE – RESOLVED – That the Note of an inquorate meeting of this Committee held on 26th September, 2006, having been circulated, be received.

A20. DATA QUALITY REVIEWS – MANAGEMENT ARRANGEMENTS AND SPOT CHECKS – The Director of Corporate Services submitted a report (previously circulated) together with a report (also previously circulated) produced by PriceWaterhouseCoopers (PwC), following an assessment of the Council’s management arrangements relating to data quality.

It was reported that the outcome of the assessment was positive, with the Council scoring a level 3 ‘performing well’ for Management Arrangements around Data Quality. Sarah Thompson, from PwC reported that the Authority had given increased importance to performance management since its Corporate Assessment in 2002 and had introduced a number of strong changes to performance management.

It was also reported that, of the nine performance indicators spot checked using the Audit Commission audit guide, five had been amended slightly as a result of detailed testing.

Discussion ensued on BV165 – Percentage of Pedestrian Crossings with Facilities for Disabled People, and it was reported that, although Darlington was meeting the requirements of its disabled residents who had indicated that they did not want the audible indicators on crossings, it was failing to meet the tactile and audible indicator guidelines. It was reported that discussions thereon were currently taking place with the Department for Transport.

RESOLVED – That the report and assessment be noted and that the thanks of this Committee be extended to the Officers involved.

A21. USE OF RESOURCES JUDGEMENT 2006 – The Director of Corporate Services submitted a report (previously circulated) together with a report (also previously circulated) produced by PwC following the 2006 Use of Resources Assessment, which had been completed in accordance with the methodology and guidance issued by the Audit Commission.

It was reported that the outcome of the Assessment was positive with the Council scoring overall a level 3 ‘performing well’ and that although, the score was the same as in 2005, year-on-year

the bar had been raised in terms of scoring requirements and progress had been made both at theme level and within themes and that no scores had been reduced.

RESOLVED – That the report and the scores be noted.

A22. AUDIT SERVICES ANNUAL AUDIT PLAN 2006/07 – The Chief Internal Auditor submitted a report (previously circulated) updating Members on the progress against the 2006/07 Annual Audit Plan in accordance with Audit Services’ role and terms of reference.

The submitted report summarised the outcome from Audit Assignments undertaken and those in progress, outlined proposed amendments to the audit assignment element of the Audit Plan, detailed some of the more significant outputs from consultancy works carried out and outlined the Audit Services’ Performance Indicators and gave results and year-end projections.

RESOLVED – That the report be noted and the amendments to the plan approved.

A23. AUDIT IMPROVEMENT ACTION PLANS – The Chief Internal Auditor submitted a report (previously circulated) outlining the progress made in implementing the recommendations agreed in Improvement Action Plans arising from both External and Internal Audit reports.

It was reported that there was only one area, which was within the Development and Environment Department, where the recommendations had not been fully implemented within the agreed timescales and that it was anticipated that the work would be completed by December 2007.

RESOLVED – That the report be noted.

A24. ANTI-FRAUD AND CORRUPTION ARRANGEMENTS – The Director of Corporate Services submitted a report (previously circulated) requesting that consideration be given to reviewing the Council’s anti-fraud and corruption arrangements and to give approval to any subsequent updates to the policy documents as necessary.

The submitted report outlined the work being undertaken to raise staff awareness of the Council’s anti-fraud and corruption arrangements; potential frauds that had been notified to Audit Services during 2006/07, together with a summary of the current status/outcomes; the National Fraud Initiative to match data between authorities to detect fraud; and arrangements in place in the Housing Benefits Section to increase fraud investigation.

It was reported that the Council’s existing anti-fraud and corruption arrangements continued to be effective and only minor changes were required to the Anti-money Laundering Policy and the Housing Benefit documentation.

RESOLVED – That the updated Proceeds of Crime Act (Anti-Money Laundering) Policy and the Housing Benefit/Council Tax Anti-Fraud Policy, Strategy and Sanctions Policy, as appended to the submitted report, be approved.

A25. RISK MANAGEMENT STRATEGY – The Director of Corporate Services submitted a report (previously circulated) advising Members of the proposed changes to the Council’s Risk Management Strategy.

It was reported that the previous strategy had been approved by Cabinet in September 2002 and that it was now considered appropriate to refresh and update the Strategy.

RESOLVED – That the updated Risk Management Strategy be endorsed and referred to Cabinet for approval.