

AUDIT COMMITTEE

14th December, 2007

PRESENT - Councillor Baldwin (in the Chair); Councillors Johnson and Thistlethwaite and Mr. J. Morton. (4)

APOLOGIES -

ABSENT -

A24. DECLARATIONS OF INTEREST – The Chair (Councillor Baldwin) declared a personal and non-prejudicial interest in Minute A31 below as his son worked in the Housing Benefits section. There were no other declarations of interest reported.

A25. MINUTES – RESOLVED – That the Minutes of the meeting of this Committee held on 28th September, 2007, having been circulated, be taken as read and approved as a correct record.

A26. DATA QUALITY REVIEWS – MANAGEMENT ARRANGEMENTS AND SPOT CHECKS – The Assistant Chief Executive 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 ‘performing well’ for Management Arrangements around Data Quality. The submitted report also outlined a number of strengths in the Council’s approach and identified areas of improvement which were to be addressed by Officers.

RESOLVED – That the report and assessment be noted.

A27. AUDIT SERVICES ANNUAL AUDIT PLAN 2007/08 – PROGRESS REPORT – The Head of Corporate Assurance submitted a report (previously circulated) updating Members on the progress made during the first eight months of the year against the 2007/08 Annual Audit Plan.

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 or year-end projections.

It was reported that the audit of primary schools had commenced, including an evaluation of compliance against the DfES Financial Management Standard and that it was pleasing to report that the six primary schools audited to date, were all considered to have attained the standard.

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

A28. AUDIT SERVICES – STRATEGY DOCUMENT – The Head of Corporate Assurance submitted a report (previously circulated) seeking approval to Audit Services’ Strategy document (also previously circulated), which was a high-level statement of how internal audit

linked to the Council's objectives and priorities and how it would be delivered and developed in accordance with its Roles and Terms of Reference.

RESOLVED – That Audit Services' Strategy document, as appended to the submitted report, be approved.

A29. CORPORATE GOVERNANCE – The Director of Corporate Services submitted a report (previously circulated) advising Members of the proposed changes to the Council's Local Code of Corporate Governance and outlining the framework for the production of the Council's Annual Governance Statement.

The submitted report outlined revised CIPFA/SOLACE guidance in relation to Corporate Governance and it was reported that this Council's current Local Code of Corporate Governance, which had been adopted in 2002, had been reviewed to reflect the revisions whilst still maintaining the distinctive features of the current code.

Reference was also made to the requirement, under Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006, for local authorities to publish each year an Annual Governance Statement along with the Statement of Accounts. The Annual Governance Statement process provided a continuous review of the effectiveness of the Council's governance framework to give assurance and/or to produce a management action plan to address identified areas for improvement.

RESOLVED – (a) That the revised draft Local Code of Corporate Governance, as appended to the submitted report be endorsed and forwarded to Council for approval.

(b) That the Annual Governance Statement framework, as appended to the submitted report be noted.

A30. RISK MANAGEMENT – 2007/08 – PROGRESS REPORT – The Director of Corporate Services submitted a report (previously circulated) updating Members on Risk Management processes within the Authority.

It was reported that, following the recent departmental re-structure, the Council's current risk matrices had been refreshed and updated and those risks which had previously been within the former Development and Environment Department had been transferred to the appropriate department.

Particular reference was also made to the role of this Committee to review the Council's Risk Management Strategy on an annual basis to take into account possible changes in legislation, government initiatives and best practice and it was reported that, it was considered that no amendments were required to the Strategy at this stage.

RESOLVED – That the contents of the report be noted.

A31. 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 publicise the Council's zero tolerance approach to fraud and corruption and work being undertaken in conjunction with local schools to ensure that they were aware of and understood the content of the relevant corporate policies and reference was made to the potential frauds that had been notified to Audit Services during 2007/08, 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 on fraud investigation.

It was reported that a Fraud Response Plan had been drafted to consolidate arrangements and that no changes were recommended to the Anti-Fraud and Corruption Policy Statement and Strategy or to the Anti-Money Laundering Policy, however, there were some minor changes to the Housing Benefit documents to reflect current terminology and changes in legislation.

RESOLVED – That the contents of the report be noted and the Fraud Response Plan and the updated Housing Benefit/Council Tax Anti-Fraud Policy, Strategy and Sanctions Policy, as appended to the submitted report, be approved.

A32. CPA USE OF RESOURCES – ASSESSMENT RESULTS 2007 – With the prior approval of the Chair to the matter being treated as urgent to advise Members of the outcome of the 2007 CPA Use of Resources Assessment at an early date, the Director of Corporate Services submitted a report (previously circulated) together with a report (also previously circulated) produced by PricewaterhouseCoopers following its completion of this Council's Use of Resources Assessment.

It was reported that the outcome from the Assessment was positive, with the Council scoring overall a level 3 – Performing Well – consistently above minimum requirements. Progress had been made both at the theme level and within themes and no scores had reduced.

RESOLVED – That the report and scores be noted.

A33. AUDIT SERVICES – QUALITY MANAGEMENT SYSTEM SURVEILLANCE REPORT – With the prior approval of the Chair to the matter being treated as urgent to advise Members of the outcome of the Surveillance visit at an early date, the Head of Corporate Assurance submitted a report (previously circulated) together with a report (also previously circulated), produced by external assessors following a surveillance visit in December 2007 to monitor Audit Service's performance and compliance against the ISO90001:2000 International Quality Standard.

It was reported that the outcome from the Assessment was extremely positive, with the Audit Services Section, continuing to meet the requirements of the standard by maintaining and improving its management system with no specific issues identified during the visit which would affect certification.

RESOLVED – That the Surveillance report and assessment be noted.