

AUDIT COMMITTEE
19th December, 2008

PRESENT - Councillor A. Scott (in the Chair); Councillor Johnson (2)

APOLOGIES – Councillor Baldwin.

ABSENT -

OFFICERS - David Hall, Assistant Director, Accounting Services and Local Taxation, Brian James, Head of Corporate Assurance, within the Corporate Services Department, Andrew Robinson, Policy Manager, David Goodchild, Policy Advisor within the Chief Executive's Department and Anthony Sandys, Housing Benefits Manager within the Community Services Department

ALSO IN ATTENDANCE – Janet Eilbeck and Paul Harrison from PricewaterhouseCoopers and Ian Jones, Chief Internal Auditor, Stockton Borough Council.

A23. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

A24. MINUTES – RESOLVED – That the Minutes of the meeting of this Committee held on 26th September, 2008, having been circulated, be taken as read and approved as a correct record.

A25. XENTRALL AUDIT PLAN 2008/09 – The Director of Corporate Services submitted a report (previously circulated) together with a report (also previously circulated) issued by the Chief Internal Auditor of Stockton Borough Council outlining the progress made against the 2008/09 Xentrall Audit Plan, which had been developed following consultation with the Xentrall Management Board, Darlington Borough Council's Audit Section and the External Auditors of both Councils.

RESOLVED – That the progress report be noted.

A26. CORPORATE INFORMATION GOVERNANCE POLICY – IMPLEMENTATION PROGRESS REPORT – The Director of Corporate Services submitted a report (previously circulated) updating Members of the progress with the implementation of the Council's Corporate Information Governance Policy.

The submitted report outlined the background to the adoption of the Corporate Information Governance Policy in 2008, which was designed to ensure the systematic adoption of a number of information management principles to underpin the Council's operations and service delivery and the role of this Committee in monitoring the progress against the Policy.

It was reported that progress had been made in all areas of information governance in the last 6 months as a direct result of the Corporate Information Governance Policy and that the Information Governance Team was continuing to target service areas that required urgent assistance as well as delivering a strategic framework for the whole Council and developing approaches to managing information requests.

RESOLVED – That the continued progress in the area of corporate information governance arrangements be noted.

A27. DATA QUALITY REPORT – MANAGEMENT ARRANGEMENTS, ANALYTICAL REVIEW AND SPOT CHECKS – The Assistant Chief Executive submitted a report (previously circulated) together with a report (also previously circulated) of PricewaterhouseCoopers (PwC), following an assessment of the Council’s management arrangements relating to data quality.

It was reported that the assessment had been completed in accordance with the methodology and guidance issued by the Audit Commission and that the outcome from the assessment was positive with the Council performing well for Management Arrangements over Data Quality. All of the PIs audited were found to be ‘fairly stated’. However, there were a number of recommendations and areas identified for improvement that were being addressed through the Data Quality Strategy.

RESOLVED – That the report and assessment be noted.

A28. CORPORATE GOVERNANCE – UPDATE REPORT - The Director of Corporate Services and the Assistant Chief Executive submitted a report (previously circulated) updating Members on the progress to date on the application of Corporate Governance within the Authority.

The Policy Manager reported that Cipfa/SOLACE had reviewed their original Framework in 2007 to reflect the fact that local government had been subject to continued reform to improve local accountability and engagement and that its revised publication ‘Delivering Good Governance in Local Government: Framework’ had been the basis of Darlington’s current Local Code which had been approved by Council in January 2008, following endorsement by this Committee.

Reference was made to the core principles of good governance which were supported by this Council and the requirement for it to measure itself against those core principles.

Particular references were made to progress which had been made in a number of areas, namely the adoption of the Sustainable Community Strategy and the Local Area Agreement, a fundamental review of the Corporate Complaints process and a review of the Treasury Management Strategy.

Following a question by a Member, it was confirmed that the reporting of complaints was separated from requests for service.

RESOLVED – That the report be noted

A29. 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.

References were made to the implementation of previous actions reported to this Committee in December 2007; proposals for consolidating training for employees; a review of the Anti-Fraud and Corruption Strategy in the light of the recently issued Use of Resources guidance; and some minor amendments to the Housing Benefit/Council Tax Anti-Fraud Policy, Strategy and Sanctions Policy.

It was reported that the total number of reported frauds when combined with the whistle blowing cases had increased slightly from the previous year, which perhaps reflected the effectiveness of enhanced publicity and awareness raising, although overall numbers remained small which demonstrated the continued general soundness of the Council’s internal control environment and existing anti-fraud and corruption arrangements.

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

A30. INTERNAL CONTROL AND ACCOUNTING RECOMMENDATIONS 2007/08 – The Director of Corporate Services submitted a report (previously circulated) together with a report (also previously circulated) of PricewaterhouseCoopers outlining the findings of its review of the Council’s system of Internal Control.

RESOLVED – That the report be noted.

A31. AUDIT SERVICES ANNUAL AUDIT PLAN 2008/09 – 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 2008/09 Annual Audit Plan.

References were made to the outcome of the Audit Assignments undertaken; significant outputs from consultancy work carried out; and results or year-end projections of the Audit Services’ Performance Indicators.

RESOLVED – That the progress report against the 2008/09 Annual Audit Plan be noted.