

AUDIT COMMITTEE

28th September, 2012

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

APOLOGIES –

OFFICERS – Brian James, Head of Corporate Assurance, Peter Carrick, Financial Services Manager, Oliver Plumpton, Assistant Head of ICT (Transitions and Operations) and Joanne Skelton, Health, Safety and Well Being Manager.

ALSO IN ATTENDANCE – Neil Austin, PricewaterhouseCoopers

A11. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

A12. MINUTES – RESOLVED – That the Minutes of the meeting held on 29th June, 2012, having been circulated, be taken as read and approved as a correct record.

A13. CORPORATE HEALTH AND SAFETY REPORT 2011/12 – The Director of Resources submitted a report (previously circulated) advising Members of the performance of health and safety within the Authority together with both progress and future actions associated with the implementation of the Council's plans for health and safety management. It was reported that the Authority's pro-active approach to occupational health and safety had, over the years, proved to be effective, with year on year reductions in accidents and lost time as a result of accidents.

Particular reference was made to four cases of occupational disease in relation to Hand Arm Vibrations (HAV) Syndrome which had been diagnosed in 2011/12, which had resulted in a visit by the Health and Safety Executive and it was reported that, following the visit, positive feedback had been given that the need for improvements in HAV management had been identified internally and that the current processes were under review with the aim of ensuring that a robust system would be implemented within the Authority. An Improvement Notice had been issued in relation to HAV management in relation to highway construction, however, following a six-week period to address this, the HSE were satisfied with the improvements taken by the Authority and had lifted the notice.

Discussion also ensued on whether, in future reporting information, it could be highlighted which areas were no longer included in the statistical data, i.e. Academies.

RESOLVED – That the progress to date and the key planned actions for 2012/13 be noted.

A14. ICT STRATEGY – IMPLEMENTATION PROGRESS REPORT – The Head of ICT and Design and Print submitted a report (previously circulated) on the progress in relation to the implementation of the ICT Strategy. It was reported that the ICT Strategy focussed on five key programmes which included the ICT Service Development, ICT Governance, ICT Strategic Architecture; the Business Change Programme and ICT Competent Workforce and Members. Details of the progress

against each of the key activities within the five programmes was included in the submitted report.

RESOLVED – That the progress on the implementation of the ICT Strategy be noted.

A15. AUDIT OF ACCOUNTS 2011/12 – The Director of Resources submitted a report (previously circulated) providing Members with information on the outcome of the audit of the Council’s 2011/12 accounts and the Value for Money conclusion and seeking approval to conclude the accounts based on Officers recommendations, with regard to key issues arising from the audit.

The submitted report referred to a small number of unadjusted misstatements in the accounts and the reasons for those misstatements and it was reported that, following discussion with PwC, the Council’s external auditors, it was considered that none of the items were material individually, or collectively, in the context of the Statement of Accounts as a whole, and it was not proposed to adjust them in the accounts.

It was reported that, in accordance with statutory requirements, the Council’s external auditors, PwC, had audited the accounts and a copy of the report which outlined the results of their audit on the accounts and the Value for Money conclusion was appended to the submitted report. Neil Austin from PwC advised Members that the majority of the audit work on the accounts had been completed and that an unqualified audit opinion was expected to be issued.

RESOLVED – (a) That the Auditor’s ISA 260 report on the Council’s 2011/12 financial statements be noted.

(b) That the accounts be not adjusted in respect of the items listed in the submitted report.

(c) That the IFRS compliant Statement of Accounts for the 2011/12 financial year be approved.

(d) That the thanks of this Audit Committee be extended to the Officers and to PwC in relation to the work they have undertaken.

A16. AUDIT OF XENTRALL – PROGRESS REPORT FROM STOCKTON BOROUGH COUNCIL’S INTERNAL AUDIT SECTION AGAINST THE AUDIT PLAN FOR 2012/13 – The Director of Resources submitted a report (previously circulated) together with a report (also previously circulated) of the Financial Planning and Audit Manager from Stockton Borough Council outlined the progress made against the 2012/13 Xentrall Audit Plan.

RESOLVED – That the progress report be noted.

A17. AUDIT SERVICES ANNUAL AUDIT PLAN 2012/13 – PROGRESS REPORT – The Head of Corporate Assurance submitted a report (previously circulated) outlining the progress made during the first five months of the year against the 2012/13 Annual Audit Plan.

It was reported that the Audit Assignment work had resulted in full assurance opinions in respect of Treasury Management, one nursery and one primary school, substantial

assurance opinions in relation to the Corporate Income System – Departmental Controls, Administration of the Blue Badge Scheme, Cemeteries and Crematorium, Horticulture, one primary and one nursery school and limited assurance opinions from the audit reviews of Debit and Credit Card processing, Mobile Phones and Car Mileage, all of which had been positively responded to by management and action plans agreed to deliver the required improvements. In relation to Audit Services’ key performance indicators, the position was positive.

RESOLVED – That the progress report against the 2012/13 Annual Audit Plan be noted.

A18. AUDIT SERVICES – QUALITY MANAGEMENT SYSTEM

SURVEILLANCE REPORT – The Head of Corporate Assurance submitted a report (previously circulated) advising Members of the outcomes from the Quality Management Surveillance Report issued by Lloyds Register Quality Assurance Limited in respect of Audit Services’ Quality Management System.

It was reported that the assessment outcome from the visit was extremely positive and that the management system clearly conformed to the requirements of the ISO 9001:2008 Standard and no major findings had been identified.

RESOLVED – That the report be noted.

A19. RISK MANAGEMENT PROGRESS REPORT 2012/13 – The Director of Resources submitted a report (previously circulated) updating Members on the approach to and outcomes from the Council’s Risk Management processes.

It was reported that positive progress continued to be made within the Authority regarding the management of key strategic risks and with the work undertaken by the Corporate Risk Management Groups to manage operational risks.

RESOLVED – That the report be noted.

A20 INFORMATION GOVERNANCE PROGRAMME PROGRESS REPORT -
The Director of Resources submitted a report (previously circulated) on the progress and planned developments of the Information Governance Programme.

It was reported that information governance remained an ‘above the line;’ risk on the corporate risk register and the submitted report outlined progress in the delivery of each strand of the information governance programme, namely information security policy; information risk assessment; information governance training and awareness; information classification and handling; information sharing; information security incidents; and data quality and also addressed issues in relation to the transfer of Public Health responsibilities to local authorities and the transparency agenda.

Discussion ensued on information governance training and awareness for Council employees and it was reported that this was delivered in a number of ways and that an ‘Employees Guide to Information Security’ had been rolled out using the CALMS policy management system with all staff with access to CALMS being required to complete the on-line awareness training. An updated position in relation to the percentage number of staff completing the CALMS survey was detailed in the

submitted report and Members expressed concern that, in some areas, ie Services for People, the percentage number who had completed the survey was worrying low

RESOLVED – (a) That the progress on the implementation of the Information Governance Programme be noted.

(b) That a progress report on the position, as at the end of November, 2012, in relation to the completion of the CALMS on-line awareness training be submitted to the next meeting of this Audit Committee scheduled to be held in December 2012 and that each of the Directors be advised that a 100 per cent completion figure is expected.

(c) That, in those areas where 100 per cent is not achieved, Directors be required to give an explanation to this Audit Committee as to the reasons why this has not been achieved.