

AUDIT COMMITTEE

28th March, 2014

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

APOLOGIES –

ABSENT –

OFFICERS – Brian James, Head of Corporate Assurance, Ian Miles, Head of ICT and Design and Print and Peter McCann, ICT Security Manager, Xentrall Shared Services and Andrew Barber, Stockton Borough Council.

ALSO IN ATTENDANCE – Greg Wilson and Nicola Brown
(PriceWaterhouseCoopers)

A33. DECLARATIONS OF INTEREST – Councillor Baldwin declared a non-pecuniary interest in Minute A39 below. There were no other declarations of interest reported at the meeting.

A34. MINUTES - RESOLVED – That the Minutes (previously circulated) of the meetings of this Committee held on 9th December, 2013 and 31st January, 2014, having been circulated, be taken as read and approved as correct records.

A35. AUDIT OF XENTRALL – PROGRESS REPORT FROM STOCKTON BOROUGH COUNCIL'S INTERNAL AUDIT SECTION AGAINST THE AUDIT PLAN FOR 2013/14 AND THE PROPOSED PLAN FOR 2014/15 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) together with a report (also previously circulated) of the Financial Planning and Internal Audit Manager of Stockton Borough Council outlining the progress made against the 2013/14 Xentrall Audit Plan and the proposed Xentrall Audit Plan for 2014/15.

RESOLVED – That the progress report and the proposed Audit Plan for 2014/15 be noted.

A36. 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 strategic priorities which included ICT Service Development; ICT Governance; ICT Strategic Architecture; Business Change Programme and ICT Competent Workforce and Members. Details of the progress against the key activities within each of the priorities were included in the submitted report.

It was reported that 2013/14 marked the final year of the current version of the ICT Strategy and work was underway to develop a replacement.

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

A37. ICT DISASTER RECOVERY BRIEFING – The Head of ICT and Design and Print submitted a report (previously circulated) on the ICT Disaster Recovery arrangements which were in place for the Council in order to manage the recovery of ICT systems in the event of a disaster situation.

It was reported the Disaster Recovery arrangements linked with the Council's business continuity plans and ICT's own incident and major incident resolution process and discussion ensued on the testing arrangements of the plan and the possibility of the outcomes from the testing being reported to a future meeting of this Committee.

RESOLVED – That the report be noted.

A38. INFORMATION GOVERNANCE PROGRAMME PROGRESS REPORT – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) on the progress and planned developments of the Information Governance Programme.

The submitted report stated that information governance was an 'above the line' risk on the corporate risk register and 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; data quality; and the transparency agenda.

It was reported that steady progress on the delivery of the risk-based information governance plan continued to be made and prioritised actions plans were being developed by Heads of Service to ensure key improvements were implemented across services effectively and in a timely manner.

Particular reference was made to the requirement to share information with health services and the importance of compliance with the Department of Health Information Governance Toolkit (the IG Toolkit), which was the standard required for connecting to their secure network and for providing the level of assurance that personal information would be properly managed and to the establishment of a working group to ensure that the Council achieves compliance.

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

A39. ANNUAL CERTIFICATION REPORT 2012/13 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) together with a report (also previously circulated) produced by PricewaterhouseCoopers (PwC), the Council's external auditors which summarised the high level results of their grants certification testing.

It was reported that the external audit work undertaken had identified that, out of the four claims and returns certified, two required qualification letters and needed to be amended. It was reported that PwC had no prescribed materiality threshold and noted that the amendments only had a monetary effect of £55 on one of the claims that in total was worth £82,669,052.51.

RESOLVED – (a) That the report be noted

(b) That the adequacy of the proposed Management Action Plan for 2012/13, as set out in Appendix B of the submitted report, be noted.

(c) That the adequacy of progress made in implementing the 2011/12 Action Plan, as set out in Appendix C of the submitted report, be noted.

A40. AUDIT SERVICES ANNUAL AUDIT PLAN 2013/14 – PROGRESS REPORT –

The Head of Corporate Assurance submitted a report (previously circulated) outlining the progress made during the first eleven months of the year against the 2013/14 Annual Audit Plan.

It was reported that the Audit assignment work undertaken since December 2013, had resulted in substantial assurance options for Payroll and Miscellaneous Benefits, the Social Fund, Independent Sector Payments and Planning and Development Control. A limited assurance opinion resulted from the audit review of Inventories, however, it was stated that management had responded positively to audit findings and action plans had been agreed to deliver the improvements required.

It was also reported that in relation to Audit Services' key performance indicators, the position was positive.

RESOLVED – That the progress against the 2013/14 Annual Audit Plan be noted.

A41. EXTERNAL AUDIT PLAN 2013/14 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) together with a copy of the 2013/14 External Audit Plan (also previously circulated) which had been prepared by the Council's appointed external auditors PricewaterhouseCoopers (PwC), following discussion with Officers.

Gregg Wilson from PWC advised Members of the content of the Plan and outlined the role of this Audit Committee in relation to the risk of fraud.

RESOLVED – That the External Audit Plan for 2013/14 be noted.

A42. AUDIT SERVICES – ANNUAL AUDIT PLAN 2014/15 – The Head of Corporate Assurance submitted a report (previously circulated) together with the Audit Services' Audit Plan for 2014/15 and associated performance indicators (also previously circulated).

It was reported that the Plan had been formulated following consultation with the Chief Officers Executive, Chief Officers Board and External Audit, was risk based and had been developed with reference to corporate and group risk registers and to the identification and prioritisation of auditable areas based on an assessment of their exposure to risk pertaining to the achievement objectives and that progress against the Plan and the performance measures will be reported to this Committee during the year.

RESOLVED – (a) That the Audit Services' Audit Plan for 2014/15, as appended to the submitted report be approved.

(b) That the performance indicators to monitor the operational performance of Audit Services, as appended to the submitted report, be noted.

A43. ANNUAL RISK MANAGEMENT REPORT 2013/14 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) to update Members on the approach to and the outcomes from, the Council's Risk Management processes for 2013/14.

The submitted report stated that positive progress continued to be made within the Authority in relation to the management of key strategic risks, and in the work undertaken by groups of Officers to manage operational risks.

RESOLVED – That the report be noted.