

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Thursday, 30th October 2008 at 6.00pm in the Scrutiny Meeting Room, Civic Offices, Telford

PRESENT: D.Wright (Chairman), I.T.W.Fletcher (Vice-Chairman), R.K.Austin and W.L.Tomlinson.

OFFICER PRESENT: Jenny Marriott – Audit & Risk Manager.

AUC-31 MINUTES

RESOLVED – that the minutes of the meeting of the Audit Committee held on 16th September 2008 be confirmed and signed by the Chairman.

AUC-32 APOLOGIES FOR ABSENCE

Councillors L.Lomax and T.J.Hope.

AUC-33 DECLARATIONS OF INTEREST

None.

AUC-34 INTERNAL AUDIT UPDATE ON QUARTER 2 (JULY – SEPTEMBER 2008)

The Committee received the joint report of the Head of Audit & Democracy and the Audit & Risk Manager on the work of Internal Audit during quarter two for the period July – September 2008. Members were reminded that the Committee received a quarterly update of the work of Internal Audit.

The report provided information on the work of Internal Audit during July to the end of September 2008 together with an update on the progress of previous audit reports issued (July 2007 to June 2008). It was reported that Internal Audit activity during this reporting period had particularly focussed on completion of the audits set out in the Internal Audit Plan.

Members were referred to the various appendices which detailed the list of final reports issued in quarter one with indicated grading – red, amber, yellow or green and any appropriate comment on internal controls – in Appendix A. A list of all work undertaken in quarter two which had required 1 day or more – in Appendix B. Details of previous graded reports for the period between July 2007 to June 2008 and their current status – in Appendix C and further information for the amber reports issued this quarter that had been reported as detailed in Appendix A – in Appendix D of the report.

Members were informed that Internal Audit were confident that the appropriate management teams did have action plans in place to implement the recommendations made in the amber reports reported in Appendix A. It was further mentioned that follow ups would take place in 6 months time.

From Appendix C the position on the original red/amber reports were noted. In particular the Committee noted the unchanged position in connection with the amber report for Catering Systems which was as a result of PCS the system supplier going into liquidation. Members were also pleased to note that the Corporate Parenting report had changed from Red to Yellow.

In relation to Appendix B of the report a Member enquired as to the reason that 35 days had been spent on Recruitment & Retention. By way of response the Committee were advised that this was as a result of two reviews – a request from Equalities that Internal Audit should investigate the adequacy of job descriptions and person specifications in respect to equalities requirements and a review to ensure that recruitment was undertaken in adherence to the Council's current Recruitment & Retention Policy.

There was also a general discussion in relation to the review of the Mayor's fund procedures although it was noted that no irregularity had been found a number of Members were concerned in connection with the financial administration of extra events that were organised by the Mayor but not supported by the Council. There were discussions that this should be reviewed to provide assurance for the Council.

The Committee were further advised that there were no other issues to bring to the attention of members of the Committee. In connection with the two amber reports detailed within the report it was reported that the appropriate management teams had agreed action plans and had commenced implementation of them. It was noted that Internal Audit were confident that the controls had and would continue to improve in these areas but that a further report would be made after follow up, if required.

RESOLVED – that the Internal Audit Update Report on Quarter 2 (July – September 2008) be noted.

AUC-35 HALF YEARLY PROGRESS ON 2007/08 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

The Committee received the report of the Corporate Director: Resources which requested members to note the progress that had been achieved against the 2007/08 Annual Governance Statement Action Plan. Members were reminded that the Council had a local Code of Good Governance that had been reviewed and updated in May 2008. The Code set out the six principles by which the Council would seek to lead and deliver services to the community.

Under statutory regulations the Council was required to produce an Annual Governance Statement which should be signed by the Chief Executive and Leader of the Council and which should be included in the Annual Accounts. Members were informed that the Annual Governance Statement for 2007/08 had been formally agreed by Cabinet and the Audit Committee in June 2008. The Statement also included as part of the statement an action plan which had identified areas for improvement for the Council. Directors and the Audit Committee were responsible for monitoring progress against this action plan.

The Committee was referred to Appendix A of the report which provided details of current progress and comments on the action plan with revised implementation dates which Corporate Directors had agreed. Members were informed that all of the required actions were progressing well with some already achieved but it was noted that there had been some delays due to the CPA and Use of Resources inspections. The Committee were also informed that there were still some concerns about the delays in testing Business Continuity Plans and the current position in respect to the Catering software interim support arrangements.

As the Annual Governance Statement (including the Action Plan) was reviewed by the Audit Committee prior to signing by the Leader and the Chief Executive, it was part of the Committees role in respect to good governance to receive information on progress against the plan.

It was noted that the Key Strategic Risk Register was currently being reviewed and this would be submitted to Cabinet – it was confirmed that the review report would be submitted to the next Audit Committee in January 2009.

RESOLVED – that the progress as outlined within the report in connection with the 2007/08 Annual Governance Statement Action Plan be noted.

AUC-36 OUTLINE OF BUSINESS FOR FUTURE MEETINGS

Members were referred to the proposed outline of business to be considered at the remaining meetings of the Committee for the 2008/09 Municipal Year as contained within the agenda. In particular the Committee was requested to note that the Feedback from the CIPFA Internal Audit benchmarking would be submitted to the January 2009 meeting. It was further reported that the Annual Report on the Speak Up Policy would be presented to the March 2009 meeting.

RESOLVED – that the revised outline of business for future meetings of the Committee be noted.

AUC-37 DATES OF FUTURE MEETINGS OF THE COMMITTEE

It was noted that the dates of future meetings were as follows Tuesday 27th January 2009 and Tuesday 31st March 2009.

The meeting ended at 6.50 pm.

Chairman:

Date: