

# **GOVERNANCE AND AUDIT COMMITTEE**

## **MINUTES OF THE MEETING HELD ON 26 JANUARY 2006**

**Councillors:** Barbara Alexander (*Chairman*)(P), Jeff Brooks (P), Andrew Rowles (P), Denise Gaines (P), Graham Jones (P), Emma Webster (P)

**Also present:** John Bull, David Holling, Ian Priestley, Charles Morris, Martin Cawte, Julia Gillespy, Shannon Coleman and Vicky Wheatley

### **PART I**

#### **1. APOLOGIES.**

Apologies for the inability to attend the meeting were received on behalf of Councillor Sue Farrant.

#### **2. MINUTES.**

**RESOLVED:** That the minutes of the meeting of the Governance and Audit Committee held on 22 November 2005 be confirmed as a true and correct record, and signed by the Chairman.

#### **3. DECLARATIONS OF INTEREST.**

There were no declarations of interest.

#### **4. ANNUAL AUDIT AND INSPECTION LETTER 2004/05.**

The Committee considered that Annual Audit and Inspection letter for 2004/05 presented by John Bull from the Audit Commission. He advised that the letter, which had already been discussed with Senior Officers across the Council, would be issued by 31 January 2006 and should be placed on the Council's website.

The CPA rated West Berkshire as a 2 star Council, showing that it was 'improving well'. Areas for improvement included documentation and preparation of procedural guidance for business critical systems and the need to publicise fraud and corruption processes.

The Committee raised concerns about the wording of the final bullet point in paragraph 62. It was agreed by the Committee and John Bull the sentence would be re-worded as follows:

'ensure corporate efficiency savings targets are targeted at those services providing poor value for money'.

**RESOLVED** that the Annual Audit and Inspection letter for 2004/05 be noted with the amendment to paragraph 62 and that the letter be published on the West Berkshire Council website.

#### **5. ASSURANCE INTERIM REPORT 2005/06.**

The Committee considered a report to support the production of the Statement of Internal Control for 2005/06 presented by Ian Priestley, Head of Assurance. The report, produced twice a year for Corporate Board, presented the results of Internal Audits. Outcomes for the past 6 months were listed in Appendix A.

## GOVERNANCE AND AUDIT COMMITTEE – 26 JANUARY 2006 - MINUTES

The Committee praised the results of the Internal Audit, but asked that further detail or 'ratings' be added to the next report.

**RESOLVED** that the Internal Audit progress be noted, and further detail be provided in the next report.

### 6. RISK MANAGEMENT STRATEGY 2006/07.

The Committee considered a report outlining the revised Risk Management Strategy for 2006/07, presented by Charles Morris, Risk Manager. The Committee considered the revised Risk Management policy statement and were informed that each Head of Service would review their Risk Register in the next two months, as part of the Corporate Plan.

Andrew Rowles commented that the Risk Management Member training had been very useful and worthwhile, and felt it would be useful for more Members to take up the training.

**RESOLVED** that the Risk Management Strategy for 2006/7 be noted and approved.

### 7. STATEMENT OF INTERNAL CONTROL – ARRANGEMENTS FOR DELIVERY AND REVIEW.

The Committee considered a report outlining the proposed process for the preparation of Statement of Internal Control, presented by Ian Priestley, Head of Insurance. The Statement was introduced two years ago and formed part of the Statement of Accounts. The Statement of Internal Control would provide evidence of a robust Risk Management framework, to rectify criticisms in the CPA.

Heads of Service and Portfolio Members would be required to sign an Assurance Statement. The Committee questioned whether this would provide sufficient evidence of Member involvement, but Ian Priestley added that the report would also be considered annually by the Governance and Audit Committee and as part of the Annual Accounts.

**RESOLVED** that the process for preparing the statement for Internal Control be approved.

### 8. CIPFA GUIDANCE ON THE ROLE OF AUDIT COMMITTEE.

The Committee considered the advice from CIPFA on the role of Audit Committees, presented by Ian Priestley, Head of Assurance. The proposals would improve the audit process and ensure the Committee met best practice requirements.

Councillor Alexander queried whether West Berkshire's Governance and Audit Committee met the CIPFA guidance as it was larger, of a different composition to the recommendations and considered Governance and well as Audit issues. John Bull, attending from the Audit Commission, did not consider these differences an issue, nor that the Committee contained the Leader of the Council and Chair of the Overview and Scrutiny Commission.

**RESOLVED** that the CIPFA guidance be noted.

### 9. NEW EU PROCUREMENT REGULATIONS.

The Committee considered the changes to the Contract Rules of Procedure presented by David Holling, Head of Legal and Electoral Services based upon a consultation draft. Additional guidance was received prior to the meeting, and it was not considered that the guidance and regulations contained any major changes. A revised Appendix A was issued to the Committee which took into account the Alcatel Judgement (10 day cooling off period).

**GOVERNANCE AND AUDIT COMMITTEE – 26 JANUARY 2006 - MINUTES**

Councillor Brooks welcomed the revised policies and procedures, but expressed concern that the Council would be burdened with providing feedback to tenders. David Holling drew the Committee's attention to note 2 in the revised Appendix A, in which information on the awarding of contracts was excluded from Freedom of Information requests in paragraph 12a. Martin Cawte added that the practice seen in considering tenders for Parkway had demonstrated good practice, and in future evaluating panels would have to document more information regarding their decisions. A Register of Contracts would be produced by the Council, which could be labour intensive, but worthwhile.

**RESOLVED** to approve the new EU Procurement Regulations and the revised Appendix A circulated at the Committee meeting.

*(The meeting commenced at 7.00pm and closed at 7.40pm)*

**CHAIRMAN** .....

**Date of Signature:** .....