

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 10 APRIL 2006

Councillors: Barbara Alexander (*Chairman*)(P), John Chapman (AP), Sue Farrant (P), Denise Gaines (P), Alexander Payton (P), Andrew Rowles (AP) and Emma Webster (P)

Also present: John Bull, Andy Day (for Item 14 and 15 only) Ian Priestley, Charles Morris, Martin Cawte, Julia Gillespy, Shannon Coleman and Vicky Wheatley

PART I

10. ELECTION OF VICE CHAIRMAN.

The Chairman informed the Committee that in order to ensure it's separation from the Executive and Overview & Scrutiny Commission, Councillors Jones and Brooks would no longer be members of the Governance & Audit Committee. The Chairman welcomed Councillors Sue Farrant and John Chapman to the Committee who had been nominated to replace Councillors Jones and Brooks.

Given that Councillor Brooks had been elected Vice-Chairman of the Committee, the Chairman asked for nominations for the position, and asked that nominees not be part of the Executive or Overview & Scrutiny Commission.

RESOLVED that Councillors Farrant and Payton liaise over of the position of Vice Chairman and advise the Head of Policy & Performance which of them would take up the position.

11. APOLOGIES.

Apologies for inability to attend the meeting were received on behalf of Councillors Rowles and Chapman.

12. MINUTES.

The minutes of the meeting of the Governance and Audit Committee held on 26 January 2006 were confirmed as a true and correct record and signed by the Chairman, subject to the correction of Ian Priestley's job title (Item 7) to Head of Assurance.

13. DECLARATIONS OF INTEREST.

There were no interests declared.

14. A MEDIUM TERM STRATEGY FOR MEMBER DEVELOPMENT IN WEST BERKSHIRE.

The Committee considered a report outlining the proposed Member Development Strategy for the period 2006 – 2009 presented by Andy Day, Policy Manager – Business Management. The Development Strategy reflected the different roles carried out by councillors and the variety of ways in which information would be disseminated. The Strategy would help those with career aspirations and placed great emphasis on an induction for councillors which although not mandatory, would be strongly advised.

Andy Day confirmed that an external consultant (rather than an internal officer) would carry out the personal development interviews with Members and the Member Services Officer would retain a record of training attendance. The Committee asked that this be made clear in the Strategy, as well as how private the interview would be. Councillor Farrant suggested that the IDeA conduct the interviews and follow up on progress. The Committee requested that the mandatory element of the induction

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training could be softened and time management and freedom of information training be included in the Strategy.

RESOLVED that the Member Development Strategy be noted and approved, subject to the amendments referred to above.

15. STATEMENT OF FINAL ACCOUNTS 2005/6

The Committee considered a report which sought to delegate the approval of the Statement of Final Accounts to this Committee. Andy Day explained that the Council was required to approve the Statement by the end of June, and transferring the power to the Committee made good use of the current structures and would allow Members more opportunity for debate. The Statement would be considered by the Executive prior to the Governance & Audit Committee.

John Bull, Audit Manager for the Audit Commission, confirmed this action was consistent with other Council approaches and the Audit Commission's final report would be sent to the Committee.

RESOLVED that

1. The Committee note the report and agree the recommended action.
2. Councillors Jones, Brooks and Zverko be invited to attend the next meeting of the Committee to make any comments they may have on the Statement of Final Accounts.
3. All Councillors receive the full agenda of the next Committee meeting.
4. Simon Freeman to be asked to make a presentation to the Committee on the Annual Statement of Accounts at its next meeting.

16. PRESENTATION ON RISK MANAGEMENT

At this point in the meeting, Charles Morris – Risk Manager, gave a brief presentation on Risk Management – and how this fitted into the role of this Committee. Charles Morris briefly outlined the following:

- A selection of photographs taken around West Berkshire Council were shown with a bearing on risk management – including Market Place / Shaw House / Bollards / and IT equipment,
- Headlines from both local and national media gave a broad perspective on risk issues,
- A general introduction to risk and the process used in the Council,
- Achievements in this area included 'Good' CPA Ratings, An implemented Risk Strategy and the strategic risk register reviewed on a quarterly basis by Corporate Board,
- Local authorities needed to strike a balance between risk and reward,

Charles Morris reported that he would be prepared to provide further training or information to any of the Committee if requested and Members were invited to join Risk Management workshops.

The Chairman reported that she had spent a half day in Internal Audit with a Group Auditor (Julie Gillhespey) which had helped her understanding of the way Internal Audit worked. Members of the Committee were encouraged to do the same.

RESOLVED that the presentation be noted.

18. STATEMENT OF INTERNAL CONTROL 2005/06 REVIEW OF EVIDENCE.

Ian Priestley reported that the Committee's role in relation to the Statement of Internal Control was to:

- Act as a critical friend and ensure that there was sufficient evidence available to allow the Leader and Chief Executive to sign the Statement of Internal Control for 2005/06.

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- To consider what assurance the Committee requires from Internal Audit over the coming 12 months in terms of the risks identified in this report to support the Statement of Internal Control for 2006/07.

The Chairman was informed that within this report was a copy of the Statement of Internal Control for 2004/05 for information so the Committee could see what the Assurance Service were seeking to achieve. The report itself set out the assurance received from Heads of Service for 2005-2006. This was in the form of an Assurance Statement and Service Risk Register. Each Assurance Statement was signed by the Head of Service, Corporate Director / Chief Executive and Portfolio Holder. Within the report was a summary of the issues / risks highlighted by Heads of Service in their risk registers. Some of the Assurance Statements were not available at the time the report was produced but all would be in place or expected shortly, and once received the report would be submitted to Corporate Board for information.

RESOLVED that

1. The report be noted and approved.
2. The Statement of Internal Control 2005-2006 Review of Evidence report be circulated to the Committee by e-mail following its presentation to Corporate Board.

19. STRATEGIC RISK REGISTER – 2006/07.

The Committee was informed that the Strategic Risk Register would be a regular item for the Committee. It was formally reviewed on a quarterly basis by Corporate Board. The Committee's role would be to:

- Act as a critical friend in reviewing the risks identified by Corporate Board,
- To monitor progress with the action plan to ensure risk were managed appropriately,
- To consider what assurance were required from Internal Audit over the coming 12 months in terms of the risks identified in this report.

The report outlined the key strategic risks that the Council had identified and the measures being taken to mitigate the risks. The covering report explained how the risk register worked. Members would want to consider how often they wish to review this register.

RESOLVED that

1. The report be noted and approved.
2. The updated Strategic Risk Register be brought back to the Committee as appropriate with focus on the implementation of the action plan

17. INTERNAL AUDIT PLAN.

The Committee was informed that its role was to consider what assurance was required from Internal Audit in respect of the risks the Council faces, as outlined in the previous two items.

The main focus of this report was to consider and approve the Internal Audit Plan. Also included were the key pieces of work being carried out by the Risk Manager (Risk Strategy) and the Health & Safety teams (new SMS).

The audit plan was set out twice. Once ordered by Head of Service (page 45) and once by type of Audit (page 68). Assurance had done this so Heads of Service were clear what work Assurance would be doing in their area. Sorting by type helped the Committee and the Audit Commission understand how Assurance respond to the different types of risk the Council was facing. The audit types were:

Advisory – where systems were changing or being developed

Anti Fraud & Corruption

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Key Financial Systems – need auditing every year

Operational risks – from Service Risk Registers

Schools Audit work

Strategic Risks – from the Strategic Risk Register

For each heading in the audit plan the key risks that would be covered are highlighted. As the Risk Management process matured these risks would largely reflect the risks contained in the Strategic and Service (Operational) Risk Registers.

Ian Priestley felt that the number of planned audit days were achievable, assuming the two vacancies in the team could be filled in the near future. In the event of the vacancies not being filled then work would be prioritised.

RESOLVED that the report be noted and approved.

20. WEST BERKSHIRE COUNCIL AUDIT AND INSPECTION PLAN 2006/07.

The Committee received a report detailing the audit and inspection work that the Audit Commission proposed to undertake in 2006/07, presented by John Bull from the Audit Commission. The Inspection Plan detailed the inspection itself, the use of resources and the accounts.

The Chairman questioned why the Audit Commission fee for 2006/07 had increased by 5.6% on the previous year. John Bull explained that for 2005/06 new international standards of auditing had been set, and the cost of the extra work had not been passed to the Council. The fee increase for 2006/07 would account for this for both years, and so in real terms the increase was 1%. The Chairman reported that as the Council budget for 2006/07 had been set in November 2005, she considered that to be unfair of the Audit Commission to announce the rise in the fee in April 2006. Martin Cawte agreed to draft a letter to the Local Government Association to lobby the Audit Commission regarding the timing of the rise in fees announcement.

John Bull indicated that Cultural Services and Libraries may be subject to a full inspection in 2006/07, and if this were the case, the Council would receive a grant.

RESOLVED that

1. The report be noted and approved.
2. Martin Cawte draft a letter to the Local Government Association to express the Council's concern at the timing of the Audit Commission's fee announcement.

(The meeting commenced at 6.00pm and closed at 8.00pm)

CHAIRMAN

Date of Signature: