

Governance and Audit Committee

MINUTES OF THE MEETING HELD ON 29 September 2008

Councillors: Jeff Beck (*Chairman*) (P), Paul Bryant (P), Tony Linden (AP), Irene Neill (P), Julian Swift-Hook (P), Tony Vickers (*Vice-Chairman*) (P), Quentin Webb (P)

Substitutes: Brian Bedwell (SP), Keith Woodhams (P), Adrian Edwards, Owen Jeffery

Also present: Andy Walker (Head of Finance), Ian Priestley (Assurance Manager), Charles Morris ((Risk and Insurance Manager), Julie Gilhespey (Group Auditor), Lesley Flannigan (Group Accountant), Joseph Holmes (Accountancy Manager), Joanne Lees (KPMG), Moira Fraser (Democratic Services Manager)

PART I

15. APOLOGIES.

Apologies for inability to attend the meeting were received on behalf of Councillor Tony Linden. Councillor Brian Bedwell substituted for Councillor Linden.

16. MINUTES.

The Minutes of the meeting held on 9 September 2008 were approved as a true and correct record and signed by the Chairman subject to the following amendment:

Item 7(b) - Resolution to be amended as follows: 'That the report be referred to Council for approval (delete) and insert 'debate and discussion'.

17. DECLARATIONS OF INTEREST.

There were no declarations of interest received.

18. KPMG (external auditors) – ISA 260+ report to those charged with governance.

Joanne Lees provided Members with a brief summary of the work undertaken by KPMG to discharge their statutory audit responsibilities and highlighted any issues they had identified in discharging their duty.

RESOLVED: That the report be noted.

In accordance with Paragraph 9.10 of the Council's Constitution it was agreed that the public would be excluded from the meeting during discussion of the following item.

19. Terrorism Insurance

(Paragraph 3 - information relating to the financial/ business affairs of a particular person)

The Committee discussed the exempt information tabled at the meeting by Charles Morris. Members requested that a report be brought back to the following meeting setting out:

- the background to the premiums set by the neighbouring authorities;
- an explanation of the Council's insurance limit;

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- the definition of a terrorism incident;
- an explanation as to how risk was assessed;
- a breakdown as to how the Council's premium had been arrived at;
- an exploration as to what happened in London Boroughs post July 2005 and whether they felt that any cover in place had been beneficial;

RESOLVED: That a report setting out the reasoning behind the assessment be brought back to the next meeting of the Committee.

20. Project Risk/ Relationship with Project Management Methodology

Charles Morris introduced the report and noted that there were currently no formal links between Risk Manager and the Council's Project Management Methodology. Basis guidance was provided on the intranet and more detailed advice was contained in the toolkit which would be published shortly. Charles Morris informed Members that post April 2009 no funds would be released for projects without risk registers in place.

Members requested that the work being undertaken by the Safer, Stronger and Sustainable Policy Development Commission on the PMM methodology be linked into this work. Members accepted the recommendations as set out in the report but requested that the explanation as to how the formal links between the Risk Manager and the PMM process be expanded upon.

RESOLVED: That, subject to the recommendations being amended to expand on how the formal links would be established, the report be approved.

21. Basis for Risks/ Scores in the Strategic Risk Register

The Committee considered the report which explained the basis of the risks and scores set out in the Strategic Risk Register. Charles Morris in introducing the report noted that the Committee had requested a report setting out the background and the current process. Charles Morris noted that the Strategic Risk Register was in the process of being incorporated onto the Performance Management Tool.

RESOLVED: That the report be approved.

22. Partnership and Risk Management

Ian Priestley updated the Committee on the progress that had been made with implementing effective risk management with regard to partnerships and outlined the approach to managing partnerships and the risk associated with them.

Members requested that the Partnership Questionnaire (Appendix B) be amended to include the name of the Officer responsible for completing the form, the date completed and sign off of the contents by the lead Member. In addition Members felt that it would be useful for the Chairman of the Local Strategic Partnership to agree the contents of the form.

Members agreed that an update would be brought to the January 2009 meeting.

RESOLVED:

1. The report be noted;
2. An update to be considered at the 19 January 2009 meeting.

23. Annual Review of Terms of Reference for the Committee

Ian Priestley asked Members to undertake a review of the Terms of Reference of the Committee. Ian noted that CIPFA considered it good practice to undertake this activity on an annual basis.

Members noted that there was no specific reference to partnerships in the terms of reference and requested that this be included. Ian Priestley agreed to circulate specific text to the Chairman and Vice-Chairman and then to all Members prior to a report being considered at Full Council to amend the Terms of Reference as set out in the Constitution.

RESOLVED: That the terms of reference set out in the report be approved subject to the inclusion of specific text relating to partnership activity.

24. Self Assessment Form - Annual Review of System of Internal Audit

Ian Priestley introduced the report which sought to review the system of internal audit as required by the Accounts and Audit regulations 2006. The Committee's comments would feed into the Annual Governance Statement for the Council.

Appendix A included Ian Priestley's assessment of the extent to which internal audit complied with the CIPFA Code of Practice for Internal Audit in Local Government and the CIPFA checklist for effectiveness measures for internal audit.

Members suggested that it would be useful for David Holling, Ian Priestley and Moira Fraser to meet to assess Members' training needs and then put a strategy together for Members to consider.

RESOLVED: The action plan and self assessment were noted and amended.

25. Quarterly Update of the Work of Internal Audit

Ian Priestley asked Members to review the outcomes of Internal Audit work and the progress that had been made by Heads of Service in implementing agreed audit recommendations. Ian noted that the report had been reformatted and requested Members feedback on the revised layout. Ian Priestley stressed that Internal Audit focussed on systems and not performance.

RESOLVED: That the report be noted.

26. Date of the Next Meeting

Members agreed that the next meeting would take place on the 19 November at 5.30pm.

(The meeting commenced at 6.30pm and closed at 8.57pm)

CHAIRMAN

Date of Signature: