

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 20 JANUARY 2009

Councillors: Jeff Beck (*Chairman*) (P), Paul Bryant (P), Tony Linden (P – from 6.00pm onwards), Irene Neill (P), Julian Swift-Hook (P), Tony Vickers (*Vice-Chairman*) (P), Quentin Webb (P)

Substitutes: Brian Bedwell, Keith Woodhams, Adrian Edwards, Owen Jeffery

Also present: Ian Priestley (Assurance Manager), Julie Gilhespey (Group Auditor), Shannon Coleman (Group Auditor), Karen Reeve (Head of Children's Services), Moira Fraser (Democratic Services Manager)

PART I

35. APOLOGIES.

There were no apologies for absence received.

36. MINUTES.

The Minutes of the meeting held on 19 November 2008 were approved as a true and correct record and signed by the Chairman.

Matters Arising:

Item 30 – A report to consider purchasing insurance cover for terrorism would be considered at the 19 February 2009 Executive meeting.

Item 31 – Officers had approached the Chairman of the Overview and Scrutiny Commission to establish if they would consider undertaking a piece of work to look into measures to protect the safety of staff. In view of the large number of requests the OSC received to undertake pieces of work it had established a set of criteria to consider the requests against. It was felt that this piece of work did not comply and that reluctantly they would have to turn down this request.

All Risk Registers were now being indexed for ease of reference.

Item 32 – Following the December 2008 Council meeting the Scheme of Delegation had been amended.

Item 33- Following the December 2008 Council meeting the Individual Decision Making Protocol had been amended.

A briefing note on consultation protocols had been circulated to Members of the Committee.

37. DECLARATIONS OF INTEREST.

Councillor Jeff Beck declared an interest in Agenda Item 5, but reported that, as his interest was personal and not prejudicial, he was permitted to take part in the debate and vote on the matter.

38. PARTNERSHIP RISK.

Ian Priestley updated the Committee on progress with implementing effective risk management with regard to Partnerships. He explained that the report provided a

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follow up on the discussion at the September 2008 meeting. Members noted that the key Officers involved in this work were the Partnerships Manager (Mark Harris) and the Risk and Insurance Manager (Charles Morris) who were working together to take this work forward.

The project had been delayed due to the fact that the Use of Resources had been updated in October 2008 for the 2008/09 Financial Year. An Action Plan had been drafted to deliver the Key Lines of Enquiry set out in the Use of Resources.

The Partnership Risk Register was being maintained by the Partnership Manager and was a 'living document' that would need to be continuously updated. The Partnerships Manager and Risk and Insurance Manager were embarking on a programme of reviewing the risks associated with each partnership on the register. The intention was to work with and train the members of the partnerships so that they could manage their own risks. An incremental approach would, however, need to be adopted. The Partnership Register would be monitored by the Partnership Board or a relevant sub-group of it.

Councillor Jeff Beck reported that he had attended a conference the previous week where it had emerged that none of the representatives at the conference had completed Risk Registers for partnerships in place.

The Council's Strategic Risk Register was currently being updated and the information would be put onto the performance portal. The portal would allow the registers to be linked to Council Plan objectives and performance indicators and would allow restricted access to Officers, Members and partners via the internet.

Members noted that they had become accustomed to the way the Risk Registers were presented and were concerned that the reports derived from the portal would vary a great deal from the present presentation. Ian explained that the revised reports would still contain the same information in a structured form but that the presentation was likely to change.

RESOLVED:

1. that the report be noted;
2. the Committee receive a presentation by the Risk and Insurance Manager on the revised Strategic Risk Register at the March 2009 meeting;
3. the Committee receive a further update report in September 2009 on progress with developing risk management with partners.

REASON FOR THE DECISION: To update the Committee on progress with implementing effective risk management with regard to Partnerships.

39. INTERNAL AUDIT – QUARTER 2 REPORT.

(Councillor Jeff Beck declared a personal interest in agenda item 5 by virtue of the fact that he was a member of the Riverside Youth and Community Centre Management Team which formed part of his role as Ward Member for the area the building was located in. As his interest was personal and not prejudicial he was permitted to take parting the debate and vote on the item.)

Ian Priestley updated the Committee on the outcomes of internal audit work over the second quarter of 2008/09. Members noted that no audits undertaken in this period were rated as weak or very weak but that two follow ups were rated as unsatisfactory, namely Priory Imprest Account and the Riverside Youth and Community Centre.

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Ian Priestley highlighted some of the current issues affecting Internal Audit. He reported that work was continuing in reviewing Financial Management Standards for Schools, and that the Executive had requested that Internal Audit undertake surprise cash audits.

Ian Priestley reported that Internal Audit currently had one vacancy in the team and permission to recruit to this post had been turned down by the Recruitment Panel. It was also anticipated that one Member of the team would be going on maternity leave later on in the year. These vacancies would impact on the team's ability to deliver the approved work programme. Audits that could not be undertaken due to staffing shortages would be highlighted in the quarterly monitoring reports.

Karen Reeve attended the meeting to discuss progress made with the unsatisfactory follow ups. She explained that in respect of the Priory Imprest Account most of the recommendations had been implemented. Karen Reeve accepted the need to get more detailed advice to non-financial managers in terms of what types of expenditure was acceptable. The Recruitment Panel had turned down one of the financial officer posts and as a result development work had become a lower priority. Karen Reeve reported that s17 spend was not well regulated but that Officers would seek out best practice from another authority that had already undertaken this work to address this particular recommendation.

Karen Reeve explained that the delay in the introduction of the RAISE financial package had impacted negatively on the ability to produce records to monitor individual client allowances. Although the system was initially programmed to be operational by September 2008 Officers had now been informed that it would not be implemented until April 2009 due to issues with the software that was still being developed by a small software company. While it was possible to derive this information from Agresso it was very time consuming and therefore not practical to do.

Members raised some concern about the effect the economic downturn could have on a small software company and the implications for the Council should the company go out of business. Karen reported that this issue was highlighted on the Services Risk Register but that she did not have particular concerns at this moment in time. She would however continue to monitor this issue.

Karen also cautioned that, following the Baby P incident, it was possible that further changes might be required to the Integrated Children's System which could create further delays with the implementation of the RAISE financial package.

In respect of the issues raised by the review of the Riverside Youth and Community Centre Karen explained that she was working to introduce a cultural change within the Youth Service to ensure that systems were process orientated and not personality lead. This should prevent lapses occurring when individuals were off sick etc.

Karen Reeve explained that the staff at the community centre tended to act pragmatically and did not always understand the governance arrangements. Training was being put in place to address this issue. In addition Officers were in the process of clarifying the roles and responsibilities of the management committees in order to erase any confusion.

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The Committee:

1. were concerned about the implementation of the RAISE financial package (but were comforted that the issue was included on the Service Risk Register);
2. were aware of the concerns in relation to staffing levels in Internal Audit;
3. were concerned about the governance issues arising at two of the community centres and welcomed the work to clarify the roles and responsibilities of the management committees.

RESOLVED: following a review of individual audits and explanations from the relevant Head of Service the Committee was satisfied with the progress being made in implementing the agreed recommendations.

REASON FOR THE DECISION: To update the Committee on the outcomes of internal audit work over the second quarter of 2008/09.

40. DATE OF THE NEXT MEETING.

Members agreed that the next meeting would take place on the 23 March 2009 at 6.00pm. The following items were likely to be included on the agenda:

- presentation on the Strategic Risk Register by the Risk and Insurance Manager;
- Internal Audit Plan;
- Internal Audit Quarter 3 of 2008/09 report;
- Use of Resources;
- Anti fraud and corruption strategy.

(The meeting commenced at 5.00pm and closed at 6.01pm)

CHAIRMAN

Date of Signature: