

## **Audit Committee**

A meeting of Audit Committee was held on Monday, 7th August, 2006.

**Present:** Cllr Woodhead(Chairman), Cllr M Cherrett, Cllr W Noble, Cllr R Patterson, Cllr M Perry, Cllr M E Womphrey.

**Officers:** P K Bell (LD); J Bell, J Davis, I Jones (R).

**Also in attendance:** D Campbell(Audit Commission).

**Apologies:** Cllr Cains, Cllr Fletcher, Cllr Stoker.

### **414 Minutes**

The minutes of the meeting held on 29th June 2006 were confirmed as a correct record and were signed by the Chairman.

### **415 External Audit Update 30th June 2006**

Members were presented with Audit Commission Progress Report to July 2006.

It was outlined that the Audit Commission was required by the Audit Commission's statutory Code of Audit Practice for Local Government bodies (the Code) to issue a report to those charged with governance summarising the conclusions from Audit Commission's audit work. For the purposes of the report, the Authority's Audit Committee was considered to fulfil the role of those charged with governance and references to the Audit Committee was read as such.

The report was an interim governance report covering the audit work completed upto 17 July 2006 relating to the statements for the year ended 31 March 2006. An annual governance report would be presented to the committee on the completion of the audit, later in the year. In addition the Audit Commission would present the report on the financial statements as required by ISA(UK&I) 240 to the committee on 28 September.

The principle purposes of the report were:-

- to reach a mutual understanding of the scope of the audit and the respective responsibilities of the auditor and the Audit Committee;
- to share information to assist both the auditor and those charged with governance to fulfil their respective responsibilities; and
- to provide the Audit Committee with recommendations for improvement arising from the audit process.

The Audit Commission had circulated to all audited bodies a Statement of Responsibilities of Auditors and Audited Bodies that summarised the key responsibilities of auditors. The audit had been conducted in accordance with the principles set out in that statement.

In undertaking the audit, the Audit Commission complied with the statutory

requirements of the Audit Commission Act 1998 and the Code. Auditors' responsibilities were to review and report on, to the extent required by the relevant legislation and the requirements of the Code:

- the Authority's financial statements; and
- whether the Authority had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Audit Commission's risk assessment and planned response to the key audit risks was summarised in the audit and inspection plan. A summary of the responsibilities and audit approach was included at Appendix 1. The governance report summarised the significant findings, conclusions and recommendations arising from the audit work completed to 17 July 2006. The results of the inspection work, and the separate grant claims' certification programme, would be reported in the Relationship Manager Letter later in the year.

The Audit Commission planned to issue separate reports during the year having completed specific aspects of their programme, which were listed at Appendix 2. Appendix 3 provided information about the fee charged for the audit and Appendix 4 set out the requirements in respect of independence and objectivity.

RESOLVED that the report be noted.

#### **416 Health and Safety Quarterly Report**

Consideration was given to a report that gave the accident, assault and training statistics for the 1st quarter of 2006. It also gave comparison between this quarter and the same period in 2005.

The statistics were summarised as follows:-

##### **Health & Safety Training**

Forty Nine training sessions were delivered in this quarter, to a total of 447 delegates. Several courses were cancelled due to poor uptake. There were several additional bespoke courses delivered within departments.

##### **Accidents**

Accidents reported to the Health & Safety Unit this period were 37, this compares with 37 over the same period last year and with 60 in the previous reporting period.

##### **Physical Assaults**

There were 22 Physical assaults reported in this quarter, which compared with 30 reported in the previous reporting period and 44 in the same period in 2005.

##### **Verbal Assaults**

There were 0 verbal assaults, which compared with 8 reported in the previous reporting period and 7 in the same period in 2005.

Members discussed the statistics that had been presented to them and congratulated John Davies(Health and Officer) and his Unit for a good quarter. Members felt that good Health and Safety Training and the Health and Safety Units proactivity had contributed to the pleasing statistics.

RESOLVED that the report be noted.

#### **417 Corporate Risk Register Progress Report - Period Ending 30th June 2006**

Members were reminded that quarterly reports on the Corporate Risk Register would be presented for the purpose of reviewing the key risks that had been identified as having the potential to deflect services from achieving their objectives over the next 12 months and beyond. They also set out the actions being taken to ensure that the risks, and possible adverse outcomes, are minimised.

The Committee had requested that, in the absence of substantial changes to the register, quarterly reporting should be confined to highlighting significant additions and amendments since the previous update, with a detailed report incorporating a review of the Council's risk management process being produced annually.

This interim report covered the period 31 March to 30 June 2006. All Service Groups had been contacted subsequently and the returns indicated that there had been some changes to the Authority's risk profile over the months in question. These comprise the addition and deletion of a number of risks and revision of some of the existing entries and were particularly described later in the report.

The changes since the last reported position were detailed in the appendices as follows:-

New risks added to the register.

Amendments/deletions from the register.

The new risks added to the register were summarised within the report.

Appendix B set out details of the two risks that had moved below the corporate reporting threshold and had therefore been deleted from the register. Additionally, information was provided on those risks that had been consolidated and amalgamated into revised entries, and on other minor changes to existing risks.

For purposes of record, the changes referred to above had been incorporated in the latest version of the Corporate Risk Register. This was available in the Member's Library and an electronic copy incorporating the supporting risk assessment details had been placed on the intranet (Toolkit/Risk Management & Insurance/Risk Management/Corporate Risk Register).

Members discussed the risk and cost issues around the Borough's five cemeteries. The Risk Manager informed Members that at present there were no funds available to carry out the necessary works. Although it might ultimately be possible to recover some of the costs from private owners of memorial stones, it is likely that the Council will have to pay for the remedial works in the first instance.

With regard Risk No.26 Members were informed that the system was now working and that the risk was below the authority's threshold of 16.

A short training session was provided based on the new Risk Management Guidance Notes for Elected Members. Members were requested to consider the first draft of this publication and provide feedback on the content to the contact officer by the 1st September 2006.

RESOLVED that the report be noted.

#### **418 Internal Audit Quarterly Progress report**

Consideration was given to a report which advised Members of the work carried out by the Internal Audit Section and the progress that had made during the quarter April to June 2006 against the current annual audit plan.

It was outlined that Internal Audit was an independent appraisal function established by the Council to objectively examine, evaluate and report on the adequacy of internal controls. This role ensured that there was proper economic, efficient and effective use of resources. It also ensured that the Council had adequate accounting records and control systems.

Members were reminded that the list of all audit work undertaken in the period covered by the report (Appendices B & C) had been circulated to all Councillors prior to the meeting.

The appendices that were attached to the report showed details of the sections performance in the following areas:-

1.Key Performance Indicators.

2.List of audits undertaken and number of recommendations made (2005/06 & 2006/07).

3.Details of audits by Service Groupings (2005/06 & 2006/07).

The Internal Auditor outlined the main audits that had been carried out and the recommendations that had been made and the recommendations that had been agreed.

RESOLVED that the report be noted.

