

Audit Committee

A meeting of Audit Committee was held on Monday, 20th August, 2007.

Present: Cllr John Fletcher (Chairman), Cllr Maurice Frankland, Cllr Maurice Perry, Cllr Mrs Sylvia Walmsley, Cllr Mick Womphrey, Cllr Barry Woodhouse

Officers: I Jones, D MacDonald, J Bell (RES); S Daniels (DNS); S Johnson, D Bond (LD)

Also in attendance: No other persons in attendance

Apologies: Cllr Robert Gibson, Cllr Kath Nelson, Cllr Ross Patterson

A 15/07 Minutes of the meeting held on 4th June 2007 - for signature

The minutes of the meeting held on 4th June 2007 were signed by the Chairman of that meeting as a correct record.

A 16/07 Quarterly Health and Safety Report

Members of the Committee considered a report that covered the services and activities of the Health and Safety Unit for the period April, May and June 2007.

The Health and Safety Manager went through the accident, assault and training statistics for the 1st quarter of 2007.

Twenty-seven training sessions had been delivered, to a total of 415 delegates. There had been 25 additional bespoke courses delivered within departments.

The number of Back Care Programme referrals for musculoskeletal disorders was 91. Sickness Absence Management referrals to the Back Care Adviser were 87.

The number of accidents reported to the Health & Safety Unit was 28. It was noted that this compared with 37 over the same period last year and with 57 in the previous reporting period. 6 accidents had been reported to the reporting authority, the Health and Safety Executive.

The number of physical assaults reported to the Health & Safety Unit during the period was 35. This compared with 22 over the same period last year and with 40 in the previous reporting period.

Verbal Assaults reported to the Health & Safety Unit during the period was 17. This compared with 0 over the same period last year and with 14 in the previous reporting period.

Members of the Committee discussed the Council's procedures in relation to physical assaults.

RESOLVED that the report be noted.

A 17/07 Corporate Risk Register Progress Report

Members considered a report that provided the progress for quarter 1 for the

Corporate Risk Register. The Committee were reminded that quarterly reports on the Corporate Risk Register were 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. The reports also set out the actions being taken to ensure that the risks, and possible adverse outcomes, were minimised.

It was noted that 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 to be produced annually.

The interim report covered the period 31 March to 30 June 2007. It was explained that 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. No new risks had been added during the period, but three of the existing risks had been deleted and information on some of the existing entries had been updated.

Members were provided with the details of the amendments and deletions from the Corporate Risk Register.

It was noted that the total number of significant risks in the Corporate Risk register had reduced from 17 at the end of March 2007 to 14 at the close of the first Quarter of 2007/8 (30 June 2007).

Members discussed the removal of the cemeteries risk issue from the corporate risk register and the new inspection regime that was now in place.

Members were advised that the changes had been incorporated in the latest version of the full Corporate Risk Register and that it would be made available in the Member's Library and on the intranet.

RESOLVED that the report be noted.

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18/07 **Annual Report of the Standards Committee - 2006/2007**

Members of the Committee considered a report that provided details of the Standards Committee's Annual Report for 2006/07. The Monitoring Officer submitted apologies on behalf of the Chair and Vice Chair of the Standards Committee.

It was noted that the production of annual reports was an essential part of the Council's performance monitoring, reporting and planning procedures. Monitoring, planning and reviewing the work of the Standards Committee therefore included an annual reporting process as best practice.

Members were provided with the Committee's second Annual Report (for 2006/07). The report had been agreed by Standards Committee.

It was explained that the purpose of the Report was not only to provide an overview of the work of the Committee in the past year, but also to identify and

promote examples of best practice and to provide an opportunity to review and learn from experience. The Report therefore set out the Committee's Statutory responsibilities, summarised how those duties had been discharged during 2006/07 and drew attention to those issues that would require attention in the year ahead.

The Monitoring Officer advised that Cabinet had previously been asked to consider the Report, provide any comments or raise any queries it wished to make on its content and to recommend it to full Council for acceptance. Cabinet had recommended the report to Council for approval. Council would be considering this recommendation on 5th September.

Consultation on the Report had also taken place with the relevant Cabinet Member; the Head of Legal Services as Deputy Monitoring Officer; the Head of Democratic Services; the Corporate Governance Group and the Corporate Management Team. It was noted that the Report would also be placed on the intranet and the internet.

RESOLVED that the report be noted.

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19/07 **The Monitoring Officer's Annual Report 2006/2007**

Members of the Committee considered the Monitoring Officer's Annual Report for 2006/07.

It was noted that the production of annual reports was an essential part of the Council's performance monitoring, reporting and planning procedures. Therefore, monitoring and planning the work of the Standards Committee and of the Monitoring Officer (as a statutory officer, with attendant duties and responsibilities), as well as the work of the Audit Committee itself included an annual reporting process as best practice.

Members were presented with the Monitoring Officer Report for Stockton, relating to the municipal year 2006/07. It was the second such Annual Report.

Members were advised that the purpose of the Report was not only to provide an overview of the work of the Monitoring Officer in the past year, but also to identify and promote examples of best practice and to provide an opportunity to review and learn from experience. The Report therefore, outlined the Monitoring Officer's statutory responsibilities (which were set to increase), summarised how these duties had been discharged during 2006/07 in accordance with the Council's Constitution, legislative requirements and relevant Government guidance, and drew attention to the issues that would require attention in the year ahead.

It was explained that consultation on the Report had taken place with other officers, the Deputy Leader (as relevant Cabinet Member); the Head of Legal Services as Deputy Monitoring Officer; the Head of Democratic Services; the Corporate Management Team (including the Chief Executive as Head of Paid Service) and the Corporate Director of Resources (as Section 151 Officer) and the Corporate Governance Working Group which included the Chief Internal Auditor.

The Standards Committee had also previously considered and recommended the report for approval. Council would be considering that recommendation at its meeting on 5th September.

The Monitoring Officer indicated that copies of the Report were to be placed on the intranet and internet.

RESOLVED that:-

1. The report be noted; and that
2. The Annual Report be brought to the attention of all Members of the Council for information.

A 20/07 Corporate Governance Progress Report

Members of the Committee considered a report that provided an update on the current position on corporate governance across the Council and provided details of actions being implemented to further enhance the approach.

It was advised that the Council had for some time embraced corporate governance. Back in 2002 Council agreed that the CIPFA/SOLACE principles of governance should be adopted across the organisation. A self-assessment was undertaken and an action plan established. The Plan was monitored on a quarterly basis by the Standards Committee. It was noted that all but a small number of actions had been implemented, and those that had not, had been superseded.

It was explained that since the introduction of the CIPFA/SOLACE guidance a number of similar documents had been produced by various agencies on aspects of governance. Officers had been kept abreast of the developments to ensure the approach remained current. A number of additional self-assessments had been undertaken as a result. Members were advised that the key documents were as follows:

- Code of Corporate Governance,
- Good Governance Key Line of Enquiry (KLOE),
- Statement on Internal Control,
- Use of resources KLOE,
- Performance management section of Corporate Assessment KLOE,
- Corporate Governance framework.

Members were informed that in order to ensure a consistent approach, the self-assessments had been cross-referenced and an overarching action plan had been developed. The Committee were provided with a copy of the action plan. It was noted that only a relatively small number of actions were included in the Plan, the self- assessment work which had gone on over the last few years had assisted in keeping the approach up to date.

The Chief Internal Auditor advised that the action plan would be monitored by the Council's Corporate Governance Group and reported to the Audit Committee on a quarterly basis.

RESOLVED that the report be noted.

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21/07 **2006/07 Annual Audit Report Amendment**

Members of the Committee considered a report that presented an amendment to the 2006/07 Annual Audit Report. A 2006/07 audit that was on-going at the time of producing the Annual Audit report had been finalised on 18th July 2007 and it had significant implications to the statistical data reported at that time.

It was explained that in the annual report only three 4 star recommendations had been recorded throughout the year 2006/07. As a result of the additional audit of the Council's Housing Decent Standards Final accounts for 2005/06 a further two 4 star recommendations had been identified.

Members were presented with the original Key Performance Indicator data and an updated version to show how it had been affected by the audit.

The Chief Internal Auditor explained that as a result of the audit Tristar Homes Ltd had produced an extensive action plan in order to address the recommendations.

The Head of Performance and Business Services for Development and Neighbourhood Services (DNS) was in attendance at the meeting and advised Members that the monitoring of the action plan had been incorporated into the performance management framework for DNS. Members were also informed that a monthly Capital Business Monitoring Group had been established to monitor the capital and decent standards programme. The group was to be chaired by the Head of Housing, and included, amongst other senior officers, the Chief Executive of Tristar Homes Ltd.

The Committee expressed their concern in relation to the findings of the audit. Members requested that a report on the progress of the action plan, up to the end of November 2007, be submitted to the Committee at its meeting on 10th December 2007.

RESOLVED that:-

1. The Committee noted with grave concern the contents of the Chief Internal Auditors report on the management of some decent standards payments and noted the proposals by the Corporate Director of Development and Neighbourhood Services in conjunction with Tristar Homes Ltd and the Council's Chief Internal Auditor.
2. A further report be submitted to the Audit Committee meeting on 10th December 2007 and the attendance of the Corporate Director of Development and Neighbourhood Services or other appropriate Senior Manager be requested.

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22/07 **Internal Audit Progress Report**

Members considered a report that advised of the work carried out by the Internal Audit Section and the progress made during the quarter April to June 2007 against the current annual audit plan.

It was noted 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.

Committee Members were reminded that the list of all audit work undertaken in the period covered by the report had been circulated to all Councillors prior to the meeting. The intention was to give Councillors the opportunity to raise questions on issues that affected their ward or other areas of responsibility and for answers to be provided at the meeting.

The Chief Internal Auditor explained that the number of planned audits had reduced for 2007/08 as compared to 2005/06 and 2006/07 as they had combined a lot of audits. This was to enable audit to look more fully at the overall corporate standard.

Members were provided with the Key Performance Indicators, a list of audits undertaken and the number of recommendations made (2006/07 & 2007/08) and details of audits by Service Groupings (2006/07 & 2007/08).

Members discussed the information provided, in particular the audits carried out at Westlands Special School and Fairfield Primary School, the Tristar Homes Ltd audits and the issue of recording criminal damage.

RESOLVED that the report be noted.