

Audit Committee

A meeting of Audit Committee was held on Monday, 2nd March, 2009.

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

Officers: D MacDonald, J Bell, I Jones (R); C Andrew (Audit Commission); D E Bond, P K Bell (LD).

Also in attendance: No other persons in attendance.

Apologies: Cllr Maurice Frankland, Cllr Miss Tina Large, Cllr Mrs Kath Nelson and Cllr Ross Patterson.

A Declarations of Interest

41/08

Councillor Fletcher declared a personal non prejudicial interest in respect of agenda item 7 - Health and Safety Report as his wife had received physiotherapy from The Wellbeing Team.

Councillor Mrs Walmsley declared a personal non prejudicial interest in respect of agenda item 7 - Health and Safety Report as she was employed by a construction company involved in the Pre Construction Health and Safety Packs.

A Minutes

42/08

The minutes of the meeting held on 8 December 2008 were signed by the Chairman as a correct record.

A Review of Internal Audit - Audit of Accounts 200809

43/08

Members were made aware that at least once every three years the Audit Commission undertake a full review of the Internal Audit's compliance with the CIPFA code of conduct for Internal Audit. This was last carried out and reported in 2005/06 and had been completed again in 2008/09.

This enables the Audit Commission to plan to place reliance work carried out by Internal Audit. The Audit Commission can then review and evaluate specific areas of Internal Audit work and re-perform or extend some of the testing to confirm that it has been carried out satisfactorily.

The overall assessment was that Internal Audit met the requirements of the CIPFA code for each of the eleven standards: scope; independence; ethics; Audit Committee; relationships; staffing, training and CPD; audit strategy and planning; undertaking audit work; due professional care; reporting; performance, quality and effectiveness.

There were two minor areas where arrangements could be further strengthened:-

Audit Strategy and Planning:-

The audit strategy was relatively concise, focussing on the high level areas of the CIPFA code. It did not cover areas such as:-

- * How Internal Audit will form and evidence their opinion on the control environment;
- * How work will identify and address local and national issues and risks; and
- * The resources and skills required to deliver the strategy.

The action that was being taken was that the Chief Internal Auditor was preparing an expanded strategy to be presented to and agreed by the Audit Committee in the new Municipal Year 2009/10.

Reporting:-

There had been developments in recent years to strengthen the approach to ensure that Internal Audit recommendations are implemented. There was no formal escalation process in place to report to the Audit Committee where agreed actions had not been actioned.

The action that was taken was that recommendations that had not been implemented would be reported to the Audit Committee in future.

RESOLVED that:-

1. The recommendations be accepted.
2. Progress be monitored against the recommendations.

**A
44/08**

Internal Audit Progress Report

Consideration was given to a report that advised of the work carried out by the Internal Audit Section and the progress made during the quarter October to December 2008 against the current annual audit plan.

It was explained 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 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 Committee was provided with the following information for their consideration:

- * Key Performance Indicators
- * List of audits undertaken, assessed level of assurance and number of recommendations made (Q3 - 2008/09)

* Details of audits by Service Groupings (2008/09)

Members were provided with additional information on the following audits that had taken place in Q3 - 2008/09:-

Bowesfield Primary School
Learning Disabilities - Establishments
The Links Primary School
Security Services
Legal Charges and Court Costs
Creditors
Debtors

Members were given the opportunity to ask questions on the audits that had been completed.

RESOLVED that the report of performance be noted.

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45/08

Corporate Risk Register

The Committee was presented with a Corporate Risk Register Progress Report.

The interim report covered the period 30 September to 31 December 2008. All Service Groups had been contacted subsequently and the returns showed that there had been some changes to the Authority's risk profile over the months in question. These comprised the addition of five new risks, the deletion of three existing risks and, the update of a number of the current entries. The Committee was given details of the new risks added to the register and deletions from/amendments to the register.

It was noted that the total number of significant risks in the Corporate Risk Register had thus increased from 16 at the end of September 2008 to 18 at the close of the current Quarter. The changes referred to had been incorporated in the latest version of the full Corporate Risk Register.

The Committee was given details of the outcome of the recently completed corporate exercise into the Council's potential exposure to prosecution under the Corporate Manslaughter and Homicide Act 2007 (CMAHA) which came into force in April 2008.

It was explained that following presentations on the scope and implications of the new Act to senior managers, all Service Areas were required to review their risk management systems, practices and procedures to assess whether they were adequate to prevent acts of gross negligence that could lead to prosecution under the CMAHA and the Health and Safety at Work Act 1974.

RESOLVED that the information be noted.

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46/08

Health and Safety Report

Consideration was given to a report that detailed the activity of the Health and Safety Unit for the period 1st October to 31st December 2008.

The significant activity of the Health and Safety and the Well-being team is outlined, including partner and stakeholder involvement, accident and assault incidence.

It was informed that 14 programmed training sessions had been delivered to a total of 285 delegates, with 15 further bespoke courses delivered within departments.

The Committee was provided with details of the activity of the Wellbeing Team.

Accidents reported to the Health & Safety Unit during the period were 32. This compared with 57 over the same period last year and with 42 in the previous reporting (quarter) period.

Physical Assaults reported to the Health & Safety Unit this period were 46. This compared with 43 over the same period last year and with 27 in the previous reporting (quarter) period.

Verbal Assaults reported to the Health & Safety Unit this period were 22. This compares with 20 over the same period last year and with 27 in the previous reporting (quarter) period.

The number of premises subjected to a health, safety and welfare audit during this period amounted to 29. The number of recommendations provided to premises managers within this period to ensure a satisfactory standard of safety management safeguards was 170.

In terms of Construction Design Management the number of Pre-Construction Health & Safety Information Packs produced in this period, was 15.

It was informed that during the ongoing monitoring and reviewing of the decent standards improvement schemes a total of 6 audits had been undertaken with 8 recommendations issued to Tristar Homes Ltd.

It was explained that Stockton on Tees Borough Council provided Teesdale District Council's health and safety advisory provision via a Service Level Agreement. Work was continuing with Managers and Members to improve the District Council's safety management safeguards in preparation for Local Government Reorganisation.

The number of days in attendance at Teesdale District Council was 12. It was anticipated that the Service Level Agreement with Teesdale District Council would continue for approximately six months following vesting day, until Durham County Council's Services transitional arrangements were aligned.

The Safety Unit had appraised the safety management safeguards of 17 educational visits, including 12 domestic and 5 foreign visits involving a total of 467 pupils.

It was noted that the Employee Protection Register had been launched in July 08, and to date had a total of 664 users assigned to use it. Since the EPR's launch, the search criterion had been extended, to allow data searches on post-code and date of birth.

A breakdown of all of the above issues was also provided to Members. Members requested that at the next meeting of the Committee they receive details of the recommendations for the audits carried out on Decent Standards Improvements construction site inspections.

RESOLVED that the information be noted.

A 47/08 Standards Committee and Audit Committee Liaison Report

Consideration was given to a report that informed the Committee of discussions and outcomes from a meeting between Audit Committee and Standards Committee chairs and vice chairs.

The meeting had been arranged in order to discuss issues surrounding areas of work currently considered by both committees.

Members were reminded of the areas of common responsibility within both Committees' Terms of Reference.

It was noted that given these common responsibilities a number of issues (or elements of them) were currently reported to both committees e.g.:-

- Audit Commission's Annual Governance Report
- Annual Governance Statement
- Constitutional changes
- Internal Audit Reports
- Members' Code of Conduct
- Corporate Governance Updates

Also each Committee currently considered the other's Annual Report.

Members discussed the issues that typically were reported to both Committees and agreed that current arrangements were appropriate. They were also informed that discussions had taken place on the process of reporting of the Stockton Council partnership audits. Currently, all audits were reported to the Audit Committee. Internal Audit reports were also reported to the Standards Committee.

The way in which partnerships were regulated, particularly regarding standards and probity was explored. Members considered that each partnership would need to identify and agree its own principles of conduct and standards framework.

It was explained that The Chief Internal Auditor had outlined the audit arrangements for the Stockton/Darlington Partnership. All of the arrangements and findings from the audits would be reported to the Stockton Audit Committee and the Darlington Audit Committee. Only issues of significant importance would be the subject of reports to the respective Standards Committees'.

The Chief Internal Auditor had explained that Stockton Borough Council had previously secured the ISO accreditation for data protection. The incorporation of Xentrall into Stockton Borough Council meant that the element of Darlington

Borough Council ICT framework now within Xentrall was not covered. The accreditation process was retaken for this element and accreditation had now been given for the full Stockton Borough Council environment which included the Xentrall element.

It was indicated at the liaison meeting that the Director of Law and Democracy had provided an update report on the Local Assessment Framework. A copy of a note on the Members' Code of Conduct Complaints Procedure had also been distributed at for information.

In addition The Director of Law and Democracy had reported on the Government's consultation on the Codes of Conduct for Members and Employees. A copy of the report that had been taken to the Standards Committee, Audit Committee and Cabinet had been distributed for information. The liaison meeting was informed that a response to the consultation was being prepared by the Director of Law and Democracy and this would be sent to the Government by 24th December 2008.

The Work Programmes for the Audit Committee and the Standards Committee had been circulated for information. Discussion took place on issues that were typically reported to both Committees and it was agreed that the current programmes and arrangements were appropriate.

The Audit Committee was informed that in conclusion it had been agreed that the chairs and vice chairs of the committees should continue to meet twice a year to monitor dual reporting arrangements and discuss any other relevant issues affecting the committees' operation.

RESOLVED that:-

1. The outcomes of the meeting be noted.
2. The current practice of reporting areas of joint responsibility to both committees continue.
3. The chairs and vice chairs of the Audit Committee and Standards Committee continue to meet on a six monthly basis.