

Minutes



Listening Learning Leading

OF A MEETING OF THE

Audit and Corporate Governance Committee

HELD AT 6.00PM ON 22 JANUARY 2009

AT COUNCIL OFFICES, CROWMARSH GIFFORD

Present:

Mr P Greene (Chairman)

Mr P Cross, Mrs M Davies, Mr M Harris, Mr P Harrison, Mr R Peasgood, Ms A Purse

Officers:

Ms S Bayley, Mr S Bishop, Mr G Bushell, Mr T Hill, Mr W Jacobs, Mrs C Kingston, Ms P O'Callaghan, Mr H Oliver, Ms A Penn, Mrs J Thompson, Mrs S Wilson.

Also present:

Mr I R Mann, Cabinet member for finance; Ms A Ockleston, Audit Commission audit manager.

29. Minutes 24 September and 12 November 2008

RESOLVED: to approve the minutes of the meetings held on 24 September and 12 November 2008 as a correct record and to agree that the Chairman sign them.

30. Business continuity

The committee considered the report of the Head of Business and Information Systems that provided background information on business continuity generally and a summary and progress report on the council's business continuity arrangements. The committee also considered the council's published business continuity strategy.

Mr G Bushell, business improvement manager told the committee that the strategy would be revised in 2009. The updated strategy would take account of the shared management arrangements with the Vale of White Horse District Council, who were in the process of preparing their strategy in a similar format. The strategy would be discussed at a future meeting of the committee.

There was the potential for each council to use the other's offices in an emergency. Continuity still had to be provided off-site for shared and common facilities and in

particular computer systems. The crisis team only covered this council and would need to be integrated with the Vale's team once the plans were updated to reflect the new structure.

The council had sent information about business continuity to all town and parish councils and offered support in developing their business continuity plans. Some local councils had asked for help preparing emergency plans for their parish. No specific support was offered beyond this. Increasingly stringent regulations on data storage precluded the district council from offering emergency data storage to local councils.

The committee requested that the business improvement manager provide advice on data storage, continuity and archiving to town and parish councils.

The committee commented that the council's business continuity arrangements appeared sound, but that more could be done to assist local businesses, local councils and voluntary organisations in making suitable plans. This should be addressed in the new strategy.

The committee agreed that Mr Harrison should review one service's detailed business continuity plan and report his conclusions to the next meeting of the committee. If this proved useful, then committee members would undertake to review the rest of the detailed plans and report their views to the committee.

Having considered the report and the information provided by the business improvement manager, a motion moved and seconded to approve the officers' recommendations, was declared carried.

RESOLVED:

1. to note the arrangements described in the report to the committee and the accompanying business continuity strategy;
2. that the committee were of the view that based on the information presented the council had an adequate approach to business continuity;
3. that a verbal review of the effectiveness of one service's business continuity plan would be given at the next meeting of the committee.

31. Internal audit activity report

With the agreement of the committee, the Chairman varied the order of business on the agenda to consider this item next.

The committee considered the report of the Audit Manager, which summarised the outcomes of recent internal audit activity. Ms A Penn, Audit Manager, introduced the report.

The committee considered those audit reports that had identified a limited assurance rating (brown bins and focus group cash payments). The committee considered the follow up review of the elections audit.

In respect of the brown bins audit, Mrs C Kingston, Head of Environmental Services, and Mrs S Wilson (Waste contract manager) reported that discussions were ongoing

with Capita to agree the procedures each needed to follow to ensure payments were correctly processed. Plans to transfer the database to the new waste services provider were being drawn up and the system should be in place for the start of the contract. The current system could be continued after the new contract started if necessary. Payment problems were caused by lack of information relating a direct debit instruction to the household, resulting in a large number of direct debits being set up but not collected. These should be collected by June and customers would not be charged for two years together. Direct debit instructions received now contained an identifying number.

The committee noted that customers may be displeased if there were different charges for the two districts using the same contractor.

In respect of the focus group payments audit, Mr Oliver and Ms Bayley reported that this area had not been audited before. The follow up meeting in March would establish when the recommendations had been implemented.

The committee deferred further discussion until the next meeting and requested the service manager be invited to attend. Members requested that the payments process should be explicitly linked to the consultation strategy.

In respect of the follow up report on the elections audit, members suggested that the elections departments in the two districts share best practices. The Audit Manager confirmed that in audits of the same service at both councils had been undertaken simultaneously for the last twelve months so that best practice could be shared. It was suggested that the geographical area covered by the two districts was over-large for one returning officer.

The committee requested an update on processes in place to prevent fraud and corruption and the risk areas in elections to be brought to the March meeting.

The committee agreed to note the internal audit activity report and to receive further information on the audit of focus group payments report and the anti-fraud and corruption measures in electoral services at the next meeting.

32. Internal audit management report Quarter 3 2008/09

The committee considered the report of the Audit Manager, which reported management issues, summarised the progress of internal audit against the 2008/09 audit plan and summarised the priorities and planned audit work for quarter 4 of 2008/09.

Ms A Penn introduced the report and the audit work plan. She explained that with the changes in management structure it would be difficult to prepare an audit plan beyond October 2009 in the next quarter. Half the time would be spent on assurance work, ten percent on investigations and the remainder on systems development and consultancy.

Auditors' involvement in developing new processes reduced the likelihood of problems developing. There was little value in auditing areas undergoing change but this was an opportunity to help build sound systems from the outset.

The Chairman noted that the auditors were completing an Oxfordshire Waste Partnership audit at the Vale in this audit plan year, and requested a similar audit for SODC in the 2009/2010 audit year. The Audit Manager confirmed that this could be undertaken.

The Audit Commission's review of the adequacy of the internal audit function had been postponed due to the restructuring and would be completed in 2009/10.

The committee asked to see the six month audit activity plan (April-September) in March, with an indicative six-month plan from October to March. Thereafter, the audit activity plan should show an indicative plan for the six months' following the end of the period of the fixed plan. The approach suggested to setting the audit work plan was agreed with that change.

Ms Ockleston explained the impact of the new International Financial Reporting Standards (IFRS) on the committee. These would be adopted from the start of 2010/11 but the 2009/10 final accounts would have to be adapted to meet the new requirements. The information required, for example to value assets, had increased considerably and would need to be collected over the 2009/10 year. The committee would be informed of progress towards meeting these new standards. The impact on audit fees would depend on the extra work undertaken before and after the accounts were completed.

Mr Jacobs informed the committee of an additional fee of £43,000 for external audit work.

RESOLVED: to note the report and the challenges discussed above and that the audit work plan be presented as outlined above.

33. Exclusion of the public

RESOLVED: to exclude members of the press and public from the meeting for the following items of business under Part 1 of Schedule 12A Section 100A(4) of the Local Government Act 1972 and as amended by the Local Government (Access to Information) (Variation) Order 2006 on the grounds that:

- (i) they involve the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

34. Early retirements

The committee considered the report of the Advisor to the Chief Executive setting out the case for awarding a discretionary lump sum in respect of early retirement.

RESOLVED: to award a discretionary one-off payment to a member of staff in respect of early retirement.

The meeting closed at 7.15pm.

Chairman

Date