



## AUDIT AND GOVERNANCE COMMITTEE

**MEETING** : Monday, 24th September 2012

**PRESENT** : Cllrs. Wilson (Chair), Hobbs (Vice-Chair), McLellan, Noakes, Porter, Wood and Gilson

### **Others in Attendance**

Councillor Llewellyn, Cabinet Member for Performance and Resources

Ian Pennington, KPMG LLP

Tara Westcott, KPMG, LLP

Peter Gillett, Corporate Director of Resources

Sue Mullins, Monitoring Officer and Group Manager Legal and Democratic Services

Terry Rodway, Group Manager Audit and Assurance

Kevin Buckerfield, Interim Finance Change Manager

Parvati Diyar, Democratic Services

## 16. DECLARATIONS OF INTEREST

Councillor McLellan declared a personal and non-prejudicial interest as a Member of Gloucestershire County Council.

Councillor Hobbs declared a personal interest as he works indirectly with the partner of a member of staff.

## 17. MINUTES

The minutes of the meeting held on 25<sup>th</sup> June 2012 were approved and signed by the Chair as a correct record.

Minute 42 – 15<sup>th</sup> March 2012. The Corporate Director of Resources advised that Councillor Llewellyn had followed up the enquiry into the Combined Heat and Power installation at GL1. He reported that the Corporate Director of Regeneration and the energy team were looking into this matter and that a report would probably be presented to the next Audit and Governance Committee meeting.

Minute 6 – 25<sup>th</sup> June 2012. The Corporate Director of Resources advised that there was a need to purchase software with a modern stock control facility for The Guildhall and that the specification was being prepared. This had been identified as an IT project to take forward which would be part of a broader upgrade.

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In response to a question from Councillor McLellan, the Monitoring Officer advised that Lizzie Abderrahim had been appointed as the Independent Person. There were no substitutes at present.

Ian Pennington suggested having a standing item on the agenda with a separate sheet listing the actions from the meeting.

The Committee agreed to adopt this procedure.

**18. PUBLIC QUESTION TIME (15 MINUTES)**

There were no questions from members of the public.

**19. PETITIONS AND DEPUTATIONS (15 MINUTES)**

There were no petitions or deputations.

**20. RISK MANAGEMENT ANNUAL REPORT 2012**

The Group Manager, Audit and Assurance presented the report which provided Members with an update on the Council's risk management activities from the past year and future planned actions.

The Committee was informed that Stephanie Payne had been appointed as Risk Management Champion and had been working to promote and embed risk management within the Council. A review by the Risk Management Champion had found that the majority of service risk registers were in place. Actions had been agreed with GLT to ensure that the four outstanding service risk registers were completed in the short term.

Members believed it would be useful to identify the four outstanding services and what progress had been made.

The Corporate Director of Resources advised that the Council was committed to risk management and introduced Kevin Buckerfield. Kevin had been appointed as the Interim Finance Change Manager and was working with services to ensure risk processes were in place.

The Group Manager, Audit and Assurance agreed to notify Members by email of the outstanding risk register areas and deadline dates for completion of the registers.

The Chair noted that it was essential that the registers should be completed by the end of the month.

It was noted that the post of Member Risk Management Champion was currently not filled but that the Leader was looking to make an appointment.

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The Corporate Director of Resources confirmed that the outstanding risk registers relating to Finance and Human Resources would be in place by the end of September / middle of October.

**RESOLVED** that the risk management work undertaken to date and planned future work be endorsed.

**21. INTERNAL AUDIT PLAN 2012/13 - QUARTERLY MONITORING REPORT**

The Group Manager, Audit and Assurance presented the report which provided details of the audits completed as part of the approved Internal Audit Plan 2012/13.

He advised that the main reason for non-achievement of the target was staff sickness. The Annual Internal Audit Plan planned for the loss of 24 audit days. However, by 31<sup>st</sup> August 2012 there had been 38 days lost to staff sickness. This mainly related to one employee and this was being managed with the assistance of Occupational Health. Part of this loss had been mitigated through the use of shared service based at Stroud District Council.

The Group Manager, Audit and Assurance reported on audit work undertaken during April to August 2012. Details of the audits undertaken were included in Appendix A of the report. In response to a Member question relating to the limited assurance provided on the Year End Creditors & Debtors audit. The Audit team looked high risk areas which were the higher value items. As a result of the audit findings, the Interim Finance Change Manager had been asked to undertake more checks to see if there were any further errors.

In response to a Member question on the Capital Accounting audit, the Group Manager, Audit and Assurance advised that the audit also highlighted that a number of recommendations made at the previous audit had not been implemented. The Interim Finance Change Manager stated he had rebuilt the fixed asset register which resulted in the correct amount of depreciation being calculated.

The Chair enquired about the spreadsheet. The Interim Finance Change Manager said a fixed asset register was in place but had not been updated regularly. A spreadsheet was the most appropriate way to calculate information for now but the data could be moved in Cedar or into a new system.

The Chair advised this would need to be a priority.

Councillor McLellan enquired about the proposed new guidance for internal audit. The Group Manager, Audit and Assurance advised that the proposed new guidance for internal auditors was an update on the current Internal Audit Code of Practice and was based on the Institute of Internal Auditors guidance. It was being proposed that it should be a standard for the whole of the public sector and that this would take effect from April 2013. As part of the consultation process the Group Manager, Audit and Assurance was asked to comment on the guidance by the end of the month (September), but had been unable to do so. He added that he would produce a paper for a future meeting of the Audit and Governance Committee when the results of the consultation exercise are known.

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Councillor Llewellyn reported she had introduced regular meetings with Finance staff to ensure that audit recommendations were being implemented. As some recommendations appeared time and time again, it was her intention to continue with the internal meetings to monitor the situation and move forward.

**RESOLVED** that the audit work undertaken to date be endorsed.

**22. LOCAL GOVERNMENT OMBUDSMAN - ANNUAL REVIEW LETTER**

The Monitoring Officer reported on the Annual Review Letter from the Local Government Ombudsman, which was previously a matter for the Standards Committee.

The Review Letter outlined the annual summary of statistics on complaints made to the Council. The statistics included the number of enquiries and complaints received by the Advice Team, decisions made on complaints and the time taken by the Council to respond to written enquiries. During this period no formal enquiries had been made to the Council.

The Chair noted that the figures were very encouraging.

In response to a question from Councillor McLellan, Councillor Llewellyn advised that the number of complaints made to the Council featured regularly as part of the Members' Briefing.

Councillor McLellan enquired on the annual report on internal complaints which had been previously presented to Standards Committee. The Corporate Director of Resources was unsure whether this was a requirement but would follow this up with the Corporate Director of Services and Neighbourhoods.

**RESOLVED** that the Annual Review Letter be noted.

**23. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that the press and public be excluded from the meeting during the following items of business on the grounds that it is likely, in view of the nature of business to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of these items there will be disclosure to them of exempt information as defined in paragraph 3 of Section 1001 of the Local Government Act 1972 as amended.

<b>Minute</b>		<b>Description of Exempt Information</b>
24	)	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
25	)	
26	)	

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**24. UPDATE ON STATEMENT OF ACCOUNTS 2011/12**

The Corporate Director of Resources gave a verbal update on the Statement of Accounts 2011/12 which was linked to the Quarterly Monitoring reports received by the Committee.

**RESOLVED** that the update be noted.

**25. UPDATE ON AUDIT PROGRESS**

The Committee received an Audit progress update from Mr. Ian Pennington from KPMG.

**RESOLVED** that the update on audit progress be noted.

**26. ANNUAL GOVERNANCE STATEMENT 2011/12**

The Corporate Director of Resources presented the revised report on the Annual Governance Statement 2011/12.

**RESOLVED** that the revised Annual Governance Statement 2011/12 be approved.

**27. DATE OF NEXT MEETING**

Monday, 26 November 2012 at 6.30pm.

**Time of commencement: 18:30 hours**

**Time of conclusion: 19:50 hours**

**Chair**