

**MINUTES OF A MEETING OF THE AUDIT COMMITTEE  
HELD AT THE TOWN HALL, PETERBOROUGH ON 7 SEPTEMBER 2009**

Present: Councillors M Dalton (Chairman), Kreling, Rush, Collins and Harrington.

Officers in attendance: Steve Crabtree, Chief Internal Auditor  
Stuart Hamilton, Resilience Services Manager  
Victoria Bales, Senior Business Continuity and Risk Officer  
Claire Boyd, Lawyer  
Bob Beaumont, Lawyer  
Gemma George, Governance Officer

Also present: Councillor Seaton, Cabinet Member for Resources

**1. Apologies for Absence**

Apologies were received from Councillor North, Councillor Gilbert and Councillor Hussain.

**2. Declarations of Interest and Whipping Declarations**

There were no declarations of interest.

**3. Minutes of the Meeting held on 29 June 2009**

The minutes of the meeting held 29 June 2009 were approved as an accurate and true record.

**4. Risk Management Update**

The Resilience Services Manager submitted a report to the Committee which highlighted the movement of the responsibility for Risk Management from Strategic Resources to the Resilience Team and the integration with business continuity.

With Risk Management moving to the Resilience Team and the integration with business continuity, a new policy and an updated strategy had been written to reflect the change in how the service was going to be delivered.

Several 'Risk Champions' had been identified in each of the directorates to take forward the implementation of Risk Management in their area and a workshop had been planned for 5<sup>th</sup> November 2009.

The Resilience Team had a Senior Business Continuity and Risk Management Officer who would oversee the implementation of the new policy and strategy across the authority and would work with all the directorates to ensure a consistent approach to Risk Management.

Members were invited to comment on the report and the following issues and observations were highlighted:

- Members questioned whether centralising Risk Management would enable better management of cross departmental risks? Members were advised that centralising would enable greater coordination therefore better management overall.
- It was highlighted in the report that there had been an unsuccessful attempt in 2007 to appoint a dedicated Risk Manager, Members queried why this was. Members were informed that the position had sat within Strategic Finance and the salary package offered had not met the expectations of prospective candidates, therefore the position could not be filled in 2007. Subsequently however the position had been filled.
- In appendix C of the report, risk definitions that had previously been in use were highlighted. A query was raised regarding why the 'political' risk definition had been deleted. Members were advised that the classifications had been streamlined, however, if it was felt that this classification should be re-instated then this would be implemented.
- In appendix A of the report, roles and responsibilities for managing risk were highlighted. A query was raised regarding the role of Elected Members, did this mean all Members or did it relate specifically to the Members of the Audit Committee? The Committee was informed that it did relate to all Elected Members but specifically to Members of the Audit Committee. A further breakdown of the roles and responsibilities of all Elected Members and of Members of the Audit Committee would be written into the Risk Management and Business Continuity Strategy.

#### **ACTION AGREED:**

The Committee:

- (1) Approved the Risk Management and Business Continuity Policy, and;
- (2) Approved the Risk Management and Business Continuity Strategy.

#### **5. Internal Audit – Quarterly Report 2009 / 2010 (To 30 June 2009)**

The Director of Strategic Resources and the Chief Internal Auditor submitted a report which detailed the Internal Audit performance and progress with regards to the 2009 / 2010 Audit Plan which had been approved at Audit Committee on 30 March 2009.

The report outlined the work undertaken by Internal Audit up to 30 June 2009, progress against the plan and other areas of interest.

Members were invited to comment on the report and the following issues and observations were highlighted:

- In Appendix B, the Audit Reports issued: opinion of limited assurance or no assurance, Members questioned why five schools were highlighted as having limited or no assurance. Members were advised that at the time of the Audit, there were issues with the schools that had not been addressed. There was however a clear action plan for each school to be progressed over the coming 6-9 months. Members were further advised

that the FMSiS: Standard Executive Summary contained within Appendix B of the report was generic and therefore did not contain the specific school details.

- Members commented that sickness appeared to still be a problem, as it was indicated under 'other performance matters' contained within the report, that an average of 10 days sickness per person had been lost during the 3 months to 30 June 2009. Members were informed that the figures for the small team of 8 officers were skewed by one officer who had been off long term sick since February 2009.
- Members sought further clarity on the sickness management process, including an overview of the involvement of Occupational Health in long term cases and the maximum length of time that an employee could be off long term sick for. Members were advised that a report on this subject would be brought back to a future meeting of the Committee.
- Members also sought further clarity on the average number of days training that had been provided to each auditor over the course of the year. Members were advised that there was a training budget for auditors and there was an annual target of no less than 5 days per auditor.
- In Appendix A, Assurance Levels and Recommendations, City Services Budgetary Control was highlighted as having limited assurance. Members expressed concern regarding this point and requested further explanation as to why it was showing limited assurance. Members were informed that there had been 12 recommendations made in total with 4 of them being high risk. The recommendations had rolled over from the previous financial year and an action plan was in the process of being confirmed. Members were further informed that there had never been a department with no assurance against Budgetary Control.

#### **ACTION AGREED:**

The Committee:

- (1) Noted that the Chief Internal Auditor was of the opinion that based on the works conducted during the 3 months to 30 June 2009, internal control systems and governance arrangements remain generally sound;
- (2) Noted the progress made against the plan and the overall performance of the section; and
- (3) Noted that the future review and where appropriate, revision of the 2009 / 2010 Audit Plan.

#### **6. Update and Feedback Report**

The Chief Internal Auditor submitted the latest Update and Feedback Report for consideration and briefly outlined forthcoming items to the Committee.

Members were advised that the handbook was in the process of being updated. There were no requests from the Committee for any further information to be provided.

#### **ACTION AGREED:**

The Committee noted the Update and Feedback Report.

**7. Audit Committee Work Programme (Including Any Training Needs)**

The Chief Internal Auditor submitted the latest version of the Work Programme 2009/2010 for consideration and approval.

Members were informed that the Statement of Accounts and Summary Accounts 2008 / 2009 would be presented to the next meeting of the Audit Committee.

Members were further informed that if they had any training requirements they should forward them to the Chief Internal Auditor for inclusion at a future meeting.

**ACTION AGREED:**

The Committee noted and approved the latest version of the Work Programme.

The meeting closed at 7.30 p.m.