

Public Document Pack



MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT THE TOWN HALL, PETERBOROUGH ON 7 JUNE 2012

Present: Councillors Lamb (Chairman), Harper (Vice Chairman), Knowles, McKean, Lane, Kreling and Fletcher.

Officers in

Attendance: Steve Crabtree, Chief Internal Auditor
Steven Pilsworth, Head of Corporate Services
Louise Tyers, Compliance Manager
Karen S Dunleavy, Governance Officer

1. Apologies for Absence

Apologies for absence were received from Councillors Arculus and Maqbool.

2. Declarations of Interest and Whipping Declarations

There were no declarations of interest or whipping declarations.

3. Minutes of the Meeting held on 26 March 2012

The minutes of the meeting held on 26 March 2012 were approved as an accurate and true record.

4. Data Incident Response Policy

The Committee received a report on the draft Data Incident Response Policy (DIRP) being introduced for use by Peterborough City Council (PCC). The Committee was also informed that the Information Commissioner (IC) would expect to find a DIRP in place should a visit be necessary to the Council.

Audit Committee was asked to:

- Approve the Data Incident Response Policy.

The following key points within the report were highlighted:

- Eight principles of the Data Protection Act (DPA);
- How DPA breaches were being dealt with;
- The risks involved in losing data for a Council;
- Recent examples of fines received by other Councils;
- Nineteen notices issued by the Information Commissioner (IC) to other Councils; and
- The Council's responsibility under the DPA 1998.

Comments and responses to questions were as follows:

- The Compliance Manager advised the Audit Committee that the IC would be lenient if an employee's laptop had been stolen from home if it had been stored in a secure location rather than left on display;
- The Compliance Manager confirmed that measures were in place to ensure that personal information was not included on websites and information portals;

- Members commented that consideration should be given to introduce a system to ensure that confidential emails, which had been sent incorrectly, were retrieved. *The Compliance Manager advised that there was an issue where some Councillors emails were being auto forwarded to a private email address. The Committee was also advised that officers were made aware of a recent breach and had been advised accordingly on what process to follow when sending emails to Councillors in future;*
- Members commented that the DIRP did not contain a measure on dealing with confidentiality for contractors handling Council data. *The Compliance Manager advised the Committee that large contracts would be expected to adhere to the Council's data protection rules and sign an agreement on any award of contract; and*
- Members sought clarification of the regularity of password changes on Information Technology equipment for Councillors. *The Compliance Manager confirmed that there was an issue with obtaining agreement from some Councillors to adopt the regular change of password system. The Audit Committee were also advised that the issue of non compliance had been raised at the Members Support Working Group.*

ACTION AGREED:

- The Committee approved the Data Incident Response Policy.

It was also agreed that the Compliance Manager would:

- Investigate what arrangement was in place for Small and Medium Enterprises contractors for protecting Council's data.

5. Audit Handbook (Edition 4)

The Committee received a report on the Handbook (Edition 4) for Audit Committee from the Chief Internal Auditor.

During consideration of the report, the Audit Committee was asked to receive and approve the revised Members handbook for the Audit Committee.

The following key points were highlighted:

- Providing ongoing training and support for Members;
- Suggested questions for Members on internal and external audit processes;
- A point of research for Members on audit requirements;
- Risk Management;
- Assurance Framework;
- Financial Reporting Standards;
- Changes to Audit Committee following implementation of the Localism Act
- best practice; and
- Agreement at Council in April to merge the Standards and Audit Committee which would also include Independent Members.

Comments and responses to questions were as follows:

- The Chief Internal Auditor advised Members that the main changes for 2012/13 Audit Handbook had incorporated the impact of the Localism Bill and the recent decision to merge Standards Committee with Audit Committee;
- Members thanked the Internal Auditor for the work carried out to produce the Audit Handbook;
- Members requested that the publication of the Audit Handbook should contain a key to all the abbreviations used;

- The Chief Internal Auditor advised the Audit Committee that the appropriate route for any query regarding responses to questions from Council, should be directed to the relevant Cabinet Member or appropriate Scrutiny Committee;
- Members sought clarification over the suggested questions contained in the Audit Handbook and whether Members were expected to use them at future Audit Committee meetings. *The Chief Internal Auditor advised the Committee that the questions were merely to be used as a guideline;*
- Members commented that consideration should be given to providing officers with a list of the suggested questions contained in the Audit Handbook in preparation for attendance at Audit Committee meetings;
- Members sought clarification over whether there were any legacy risks arising from 2011/12 which should be brought to future meetings of the Audit Committee for 2012/13. *The Chief Internal Auditor advised the Committee that Peterborough City Council's policy was to provide a high level strategic risk document to the Audit Committee every six months. The Committee was also advised that the last report considered by the Audit Committee was in February 2012; and*
- Members commented that consideration should be given to providing a Strategic Risk report at every meeting of Audit Committee.
- Members sought clarification over what level of risk the Council held over the current NHS dept for Adult Social Care. *The Chairman advised the Committee that although there was a high financial problem for the NHS, no services for Adult Social Care would cease to be provided.*

ACTION AGREED:

It was agreed to approve the adoption of the Audit Handbook (4th Edition).

It was also agreed that the Chief Internal Auditor, would:

- Produce a loose leaf booklet of the Audit Handbook, which would also contain a key to all abbreviations; and
- Consider the regularity of Strategic Risk reports for Audit Committee.

6. Work Programme 2012 / 2013

The Chief Internal Auditor submitted the latest version of the Work Programme for the municipal year 2012 / 2013 for consideration and approval.

- Members sought clarification over the role of Audit Committee in respect of reviewing service issues for Adult Social Care and Children Services. The Head of Corporate Services advised Members that the Committee's role was to review and question strategic risks highlighted for the service from an audit and financial perspective. Members were also advised that the Creating Opportunities and Tackling Inequalities Scrutiny Committee was to conduct an in-depth review of any service issues.

AGREED ACTION:

The Committee noted and approved the 2012 / 2013 Work Programme, with the following amendment:

- The Review of Consultants to be included in the Work Programme and appear as an agenda item for 5 November 2012 Audit Committee meeting.

It was also agreed that:

- The Chief Internal Auditor and the Head of Corporate Services would arrange for the current Strategic Risk Register to include all high level risks for Children's Services and Adult Social Care;
- Members would inform the Chair of Audit Committee if a strategic risk was highlighted for Children's Services or Adult Social Care following the Creating Opportunities and Tackling Inequalities Scrutiny Committee; and
- If appropriate to the Audit Committee's work, which would concern financial or audit issues, officers from Adult Social Care and Children's Services would be invited to attend the meeting scheduled for 24 September 2012 to provide a report to the Audit Committee in order to discuss what measures were being introduced to lessen the strategic risks.

7.00pm – 8.10pm
Chairman