

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 8</b>
<b>7 JUNE 2010</b>	<b>PUBLIC REPORT</b>

Cabinet Member(s) responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member(s) responsible:	Councillor Collins, Chair of Audit Committee	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	☎ 384 557

## FEEDBACK REPORT

### 1. ORIGIN OF REPORT

This is a standard report to Audit Committee which forms part of its agreed work programme.

### 2. PURPOSE AND REASON FOR REPORT

This standard report provides feedback on items considered or questions asked at previous meetings of the Committee. It also provides an update on any specific matters which are of interest to the Committee or where Committee have asked to be kept informed of progress.

### 3. FEEDBACK RESPONSES

**Appendix A** sets out the feedback items - items shaded have been actioned and agreed at subsequent Audit Committee meetings. Following their approval by Committee the identified actions will be transferred to the record of Actions completed for the municipal year.

## AUDIT COMMITTEE: RECORD OF ACTION TAKEN (FEEDBACK REPORT)

## MUNICIPAL YEAR: MAY 2009 - APRIL 2010

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
1 June 2009	Agenda Item: 5 Internal Audit Annual Report 2008/2009	Follow discussions on follow up arrangements and the levels of implementation, or otherwise, of audit recommendations, it was agreed to provide all Audit Committee Members with a copy of the current Audit Charter. This will be reviewed by the Chief Internal Auditor to : (1) Reflect any changes / improvements now reflected in the performance indicators; (2) Highlight improved protocols to follow up late responses to draft Audit Reports which will include a separate letter of endorsement from the Chief Internal Auditor and Chair of the Audit Committee; and (3) Reiterate the importance of responses by inviting officers to attend future Audit Committees to explain their performance in implementing audit recommendations and the controls in their systems / departments	Steve Crabtree  Cllr M Dalton	The original Audit Charter, approved by Audit Committee on 9 November 2006, has been circulated to Members for information on 16 June 2009.  The Audit Committee Handbook has now been reviewed and a number of sections have been updated.  The Committee Handbook and revised Audit Charter is enclosed within the committee papers for the 8 February 2010 for formal approval.	Audit Committee 8 February 2010
1 June 2009	Agenda Item: 8 Audit Committee Work Programme	Request for the Head of Strategic Finance to provide an appropriate training session before the next Audit Committee meeting on the scrutiny of the final accounts.	John Blair	Scheduled on agenda for 6.00 p.m.	29 June 2009
29 June 2009		<b>THERE WERE NO NEW REQUESTS FROM THIS MEETING</b>			

AUDIT COMMITTEE: RECORD OF ACTION TAKEN (CONTINUATION)

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
7 Sept 2009	Agenda Item: 5 Internal Audit Quarterly Report 2009/2010 (to 30 June 2009)	Members sought clarification on the sickness management processes, including an overview of the involvement of Occupational Health in long term sickness cases.	Steve Crabtree	<p>Staff sickness was originally part of the remit of the Business Efficiency Scrutiny Panel and a full report was presented at its meeting on 9 April 2009. Following the Panels' demise, this now falls under the remit of the Sustainable Growth Scrutiny Committee. Members can access the full report on the Council website. Although summarised below are the key points from the report:</p> <p>What are the council doing to address the issues?</p> <p><u>Sickness Management</u> Return-to-work interviews are rated as the most effective approach to managing short-term absence, followed by trigger mechanisms for reviewing attendance and the use of disciplinary procedures. The top three most highly rated approaches to managing long-term absence are occupational health support, the provision of rehabilitation programmes and flexible working. These processes are all used within Peterborough City Council and are being rigorously applied.</p> <p>Since the adoption of the Business Partner model in the last HR restructure considerable effort has gone into developing a closer working relationship with line managers, coaching them to take more ownership of OH issues, and supporting them in the management of agreed action plans working towards satisfactory case conclusion. Some areas report sickness figures started to increase initially when this approach was introduced, but closer working is now resulting in greater ownership and more effective management of sickness.</p>	2 November 2009

## AUDIT COMMITTEE: RECORD OF ACTION TAKEN (CONTINUATION)

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
7 Sept 2009	Agenda Item: 5 Internal Audit Quarterly Report 2009/2010 (to 30 June 2009)	Continued from above	Steve Crabtree	<p>HR Business Partners are reporting to Departmental Management Teams on sickness progress raising the profile of health management issues. Business Partners discuss with managers every long term absence to ensure the appropriate action \ referrals are in hand. They have identified managers with high levels of sickness in their team and provided coaching sessions on sickness management. There are regular monthly reviews between Business Partners and Occupational Health on progress.</p> <p>A more robust referral process has been introduced.</p> <p><u>Health Referral</u> During the year the council has been using the services of AXA to obtain more specialist advice in long term sickness cases replacing its previous use of a general practitioner. The aim has been to improve timely, professional advice on long term sickness cases. This is currently being evaluated by the OH Nurse Manager. One concern is ensuring the best possible turn around time on advice.</p> <p><u>Consideration of future Occupational Health provision</u> There has been significant investment of officers' time over the last 12 months in investigating attendance management and preparing a range of responses in order to maximise business efficiency and reduce sickness absence. The work has involved a comprehensive review of the existing Occupational Health provision as well as setting out proposals for formally incorporating wellbeing as part of the strategy to attract and retain the best candidates to deliver our services.</p> <p>The provision of occupational health and wellbeing services and strategies are increasingly recognised as important factors in achieving business effectiveness and supporting an environment where employees feel valued and respected.</p>	

## AUDIT COMMITTEE: RECORD OF ACTION TAKEN (CONTINUATION)

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
28 Sept 2009	Agenda Item: 4 Statement of Accounts and Summary Accounts 2008 / 2009	Members requested information on the arrangements in place for assets between Peterborough City Council and the Peterborough Urban Regeneration Company (Opportunity Peterborough) as highlighted in the report on page 35.	Claire Boyd	<p>Statement in Audit Committee papers dated 28 September 2009 that "In the event of the Company being wound up, the Council's liability is limited to £1 and the Council has no rights to any share of its assets." A query was raised by Councillor Dalton as to whether this was correct.</p> <p><u>Response</u></p> <p>The starting position with regard to the distribution of the Company's assets on a winding up, is that pursuant to the Memorandum of Association, the Council, in its capacity as member of the Company, is not entitled to receive any net assets following the winding up of the Company. Any net assets are to be transferred to an institution with the same or similar objects, as determined by the members. It is correct that the Council's liability for debts and liabilities of the Company on a winding up is limited to £1.</p> <p>However, the Council is also a funder of the Company and in the event of the Company being wound up the Council would rank as an unsecured creditor in recovering any funding it had provided to the Company, and may not therefore recover all or any of the funding provided.</p>	8 February 2010
2 November 2009	Agenda Item:5 External Audit 2008 / 2009 - Interim Report to Management	Members requested whether or not management had ensured that the plan to perform a full Oracle Financials Disaster recovery test by October 2009 was continued through to completion" as highlighted in the detailed Information Technology General Controls findings.	Steven Pilsworth	A copy of the Oracle financial system has been made on an alternative server, so that version can be used in the event of the failure of the primary system. Testing has been undertaken on this back-up system by Serco. Testing has been completed to ensure that Council staff can access this system as required.	8 February 2010
2 November 2009	Agenda Item:5 External Audit 2008 / 2009 - Interim Report to Management	Members requested an update on all actions highlighted for completion in 2009 and whether or not these had been undertaken.	Steven Pilsworth	Agreed actions identified within the report have been delivered, or are in the process of being delivered, to the agreed timelines.	8 February 2010

## AUDIT COMMITTEE: RECORD OF ACTION TAKEN (CONTINUATION)

DATE ISSUE RAISED	SUBJECT / ITEM	AUDIT COMMITTEE COMMENTS	OFFICER RESPONSIBLE	ACTION TAKEN	SIGN OFF DATE
2 November 2009	Agenda Item: 9 Internal Audit - Quarterly Report 2009 / 2010 (To September 2009)	Members requested further details in relation to the recommendations made on Budgetary Control within City Services.	Steve Crabtree	The Executive Summary is included in the Q3 report to Committee on 8 February 2010	8 February 2010
8 February 2010	Agenda Item:4 External Audit – Annual Audit and Inspection Letter 2008 / 2009	To provide additional information in relation to the key indicators not being supported by the audit trails.	Chris Hughes (PwC)	A separate email has been sent to all Members covering this point.	
	Agenda Item: 5 External Audit – Audit and Inspection Plan 2009 / 2010	To provide additional information in relation to how the audit fee is calculated, specifically a breakdown of the number of hours taken to risk assess the Council.	Chris Hughes (PwC)	A separate email has been sent to all Members covering this point.	
	Agenda Item: 6 Audit Committee – Members Handbook	To recommend to the Scrutiny Team that it would be beneficial if all Scrutiny Committees had a handbook.	Gemma George	Scrutiny have been informed and will look into the logistics of developing it.	
	Agenda Item: 8 Internal Audit Quarterly Report 2009 / 2010 (To December 2009)	To write a letter on behalf of the Chair of the Audit Committee congratulating Castor Primary School on their full assurance.	Steve Crabtree	Letter sent to school 10 February 2010 - attached. (Note, the electronic signature has been removed to prevent any fraudulent use).	
29 March 2010		<b>THERE WERE NO NEW REQUESTS FROM THIS MEETING</b>			