THE MINUTES OF THE MEETING

OF THE AUDIT COMMITTEE

HELD ON THURSDAY 25 JANUARY 2007

Present: Councillor G Pinkney (Chair)
             Councillors B Bates, E Bell,
             Mrs G Bleasdale, M Nicholls and
             and Mrs M Nugent

Apologies: Councillors D Armstrong and R Davison

1   **THE MINUTES OF THE LAST MEETING** held on 21 December 2006, a copy of which had been circulated to each Member, were confirmed.

2   **INTERNAL AUDIT PROGRESS REPORT 2006/2007**

Consideration was given to the report of the Audit Manager which updated Members on progress made completing the 2006/2007 Audit Plan, a copy of which had been circulated to each Member.

G Fletcher, Audit Manager explained that of the 865 planned audit days available for the year, 629 days had been completed. All days had been completed in respect of East Durham Homes with a half day left during the remaining year for administration work in respect of the days planned for Peterlee Town Council.

With regard to the work for the District of Easington, most areas were on target, however because of unplanned days on recent investigations and other unplanned work carried out, some adjustments had to be made to the planned work. 50% had been carried out on the main systems work of the Council and therefore Internal Audit would aim to concentrate its resources on this area for the remaining three months of the financial year.

Appendix 1 to the report summarised the planned audit work completed for the period October – December 2006 and Appendix 2 provided a list of all planned audit work currently in progress.

Members expressed their concern about the possible impact of unplanned work on Internal Audit's ability to complete the Audit Plan. G Fletcher advised that if there were any further unplanned investigations towards the end of the financial year the outstanding planned audit work would have to be prioritised and some carried forward to 2007/2008.

Members discussed the unplanned audit work carried out in relation to mobile telephones. G Fletcher advised that the audit was prompted by an investigation into the possible misuse of a mobile phone. As a result the audit found that there were poor records held of who had mobile phones and that no proper monitoring arrangements were in place to check invoices for erroneous charges or any cases of misuse.

The investigation resulted in a recommendation that a corporate mobile telecommunications policy should be agreed and implemented. In response to Members concerns, he advised that it was recommended that an individual Officer within each Directorate should have responsibility for the control and monitoring of

the usage of mobile phones within their Unit and for checking and monitoring invoices. On-line billing was also being looked at.

He concluded that a follow-up audit would be carried out in three months.

Following discussion it was **RESOLVED** that the information contained within the report, be noted.

3   **PLANNING I.T. SYSTEM DOWNTIME AND PERFORMANCE**

Consideration was given to the report of the Service Delivery Scrutiny Committee on the impact of the recent planning I.T. system downtime on planning service performance, a copy of which had been circulated to each Member.

On behalf of the Committee, S Gwillym, Scrutiny Support Manager advised that as agreed by Audit Committee on 30 November 2006, Service Delivery Scrutiny Committee considered the problems experienced with the new I.T. system in Planning and Building Control Services at it's meeting on 11 December 2006.

The Committee noted that the Council's I.T. system had been unavailable during the weekend of 25 and 26 November 2006 for essential maintenance and that on 27 November the system would not reboot. This resulted in the system being down for 3 days until Wednesday 29 November 2006 when the problem was rectified by the supplier. Since then the system had been operating to plan. A further 2 – 3 days were lost for receiving applications when the staff relocated offices for the reasons given. The supplier had agreed to improve the response time and introduce a 24 hour response mechanism should the Council experience any further problems.

The Head of Planning and Building Control Services had advised the Committee that turnaround times for receiving and validating planning applications had been 2 days although the I.T. problems had produced a backlog of 2 weeks. S Gwillym explained that since that meeting this had changed and the turnaround times were now between 3 and 5 working days and the backlog had been cleared.

Service Delivery Scrutiny Committee concluded that they were satisfied with the responses given by the Head of Planning and Building Control Services in relation to the downtime of the system. It also noted that planning performance generally was being investigated by a Performance Improvement Team.

In discussion, Members stated that whenever a system was purchased from an external supplier, specifications should include a provision for adequate back-up in the event of a system breakdown.

RESOLVED that the findings of the Service Delivery Scrutiny Committee's investigation into the recent Planning and Building Control I.T.system downtime, be noted.

4   **RISK MANAGEMENT PROGRESS REPORT**

Consideration was given to the report of the Principal Administration Officer which updated Members on the Council's approach to managing risk, the use of 'Risk Register', risk management training and the implementation of the Council's Risk Management Strategy. A copy of the report had been circulated to each Member.

S Wardle, Principal Administration Officer advised that there continued to be some slippage in the completion of the Management Action Plans using Risk Register. It

was clear that the risks were being effectively managed and that it was well embedded. The difficulty primarily appeared to be the use of the software and that more information was captured to enable the full functionality of the software to be utilised.

To address the issue the Risk Management Strategy Steering Group (RMSSG) had provided a final deadline of the end of January 2007 for all the corporate risks and service plan risks to be captured on Risk Register. In addition a collaborative training session had been developed to provide 'STORM' training and apply this in a practical and direct way to Risk Register. The joint Audit Committee/RMSSG workshop was to be arranged within the next two to three weeks.

In relation to training, the initial Member Awareness and Audit Committee Member training took place on 1 and 6 November 2006 respectively. Further Member awareness training was to be rolled out to all Members as part of the Member development induction and training arrangements later this year. More specific training and support to Audit Committee would be developed as required.

The first two interactive risk management training sessions, STORM and Risk Register had been arranged and regular tuition, support and assistance continued to be provided by the Principal Administration Officer and his team.

With regard to Risk Register software, the need to address the management of change issues arising from the use of Risk Register had been considered in detail by the RMSSG and a quick gap analysis was to be carried out over the next two weeks to determine the key problems and issues to be addressed.

RESOLVED that the information contained within the report, and the proposed interactive training planned, be noted.

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7 February 2007