

THE MINUTES OF THE MEETING

OF THE AUDIT COMMITTEE

HELD ON THURSDAY 11 OCTOBER 2007

Present: Councillor G Pinkney (Chair)

Councillors B Bates, E Bell,
Mrs G Bleasdale, R Davison, G Johnson,
K McGonnell and B Quinn

- 1 **THE MINUTES OF THE LAST MEETING** held on 13 September 2007, a copy of which had been circulated to each Member, were confirmed.

- 2 **INTERNAL AUDIT PROGRESS REPORT 2007/2008**

Consideration was given to the report of the Audit Manager which gave details of progress made completing the 2007/2008 Internal Audit Plan, a copy of which had been circulated to each Member.

G Fletcher, Audit Manager advised that this was the second progress report for the current financial year covering the months July – September 2007.

Appendix 1 summarised the planned audit work completed by Internal Audit for the period. The aims and objectives of each audit were shown, along with the conclusions and any recommended actions agreed with the auditee.

Appendix 2 was a list of planned audit work currently in progress which would be carried forward to the next quarter.

RESOLVED that the information contained within the report, be noted.

- 3 **RISK ASSURANCE WORK PLAN - BUSINESS CONTINUITY**

Consideration was given to the report of the Senior Corporate Development Officer which gave details of the District of Easington Business Continuity Plan, a copy of which had been circulated to each Member.

A Carr, Senior Corporate Development Officer explained that the Civil Contingencies Act 2004 required local authorities to demonstrate a variety of civil protection duties in order to increase resilience and improve effectiveness in response to any emergency situation. The Business Continuity Plan provided a framework for staff to use in the event of an interruption to business caused by any emergency.

The Plan had been developed with the Durham and Darlington Civil Contingencies Unit providing the basis of the Council's Business Continuity Management Programme. It was a working document, regularly monitored and updated annually.

The Plan was developed using information supplied by Heads of Service in the form of Business Impact Analysis Questionnaires and was used to determine functions which would require controlled restoration in the event of a business interruption. These were outlined in the report for Members' information.

The Plan had been adopted by District Council on 1 March 2007.

Business Continuity Management (BCM) mutual aid agreements currently existed between all nine local authorities within County Durham and Darlington for the purpose of emergency planning. With the increase and threat of terrorist activity an emergency may occur that not only activated more than one Emergency Plan but also the Business Continuity Plans of several of the local authorities within Durham and Darlington. Such an event would therefore have serious resource implications. The Civil Contingencies Unit (CCU) recommended that mutual aid agreements be extended to emergencies requiring the activation of Business Continuity Plans.

In discussing the Plan, a Member asked how the Local Government Review would affect the Business Continuity Plan arrangements. A Carr responded that because the Plans of local authorities within County Durham had been developed with the CCU they were all very similar, however they would have to be examined as part of the Local Government Review.

In response to a further question she advised that practice emergency situations were carried out but that these were more focused upon the Emergency Plan.

RESOLVED that the information given, be noted.

4 **RISK MANAGEMENT PROGRESS REPORT**

Consideration was given to the report of the Principal Administrative Officer which gave details of progress on the Council's approach to managing risk, and the implementation of the Council's Risk Management Strategy to provide assurance that the Council effectively managed its risks. A copy of the report had been circulated to each Member.

S Wardle, Principal Administrative Officer referred to the Risk Management Performance Workplan at Appendix 1. This included relevant action plans, measurable outcomes, progress monitors and a traffic light status indicator for all areas of work. It also included relevant action plans required to meet the level 4 judgement criteria under the Use of Resources - Key Lines of Enquiry (4.1) - "The Council manages its significant business risks."

Following consultation with the Chair and Vice-Chair of Audit Committee it was proposed that the Workplan would form the basis of future quarterly reports to Audit Committee and would be used as a tool to measure performance and progress on initiatives and actions within the risk management function and corporately across the Council.

In relation to the Corporate Risk Review for 2007/2008 the Service Plan risks had now been completed and captured on 20 September 2007 and the Risk Register had been fully updated to take account of these. A desktop corporate risk review would be carried out involving Executive and Management Team to re-profile existing corporate risks and to consider new and emerging risks that had arisen from the Service Plans. It was hoped that this would be completed over the next four to six weeks and could be used as the basis for going forward, pending the outcome of the Local Government Review.

He added that most risks were being effectively managed and risk management was well embedded. There were however still difficulties updating action plans and in the use of the Risk Register software. A comprehensive range of support continued to be provided to ensure that this was managed effectively.

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The report also provide an update in relation to risk management training for Members, Officers and staff, together with specific training proposed for Audit Committee.

Members expressed concern that the Risk Register software was still not being used by some Managers and S Wardle reassured Members that risk assessments were being carried out. He explained that in dealing with this, the Risk Management Strategy Steering Group had adopted a pragmatic approach to the use of the software, taking into account the conflicting priorities of Service Heads. Until all Managers were on board with the system, the information was being captured manually on a corporate basis. However, he stressed that the Group was monitoring the situation closely and the matter would continue to be pursued as a priority to prevent further slippage.

RESOLVED that:-

- (a) the content of the report, be noted;
- (b) the Risk Management Performance Workplan be adopted as the basis for future quarterly reports to Audit Committee, for use as a tool to measure performance and progress on initiatives and actions within the risk management function and corporately across the Council.

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