

## **THE MINUTES OF THE MEETING**

### **OF AUDIT COMMITTEE**

**HELD ON THURSDAY 26 APRIL 2007**

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

Apologies: Councillors R Davison and  
P Stradling

- 1 **THE MINUTES OF THE LAST MEETING** held on 29 March 2007, 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 gave details of progress made completing the 2006/7 Internal Audit Plan, a copy of which had been circulated to each Member.

G Fletcher, Audit Manager advised that this was the final progress report for the financial year and covered the months January – March 2007.

He reported that the audit plan had now been completed for the year and of the 866 planned audit days available, 852 had been completed.

All of the planned audit days for East Durham Homes, Peterlee Town Council and Easington Village Parish Council had also been completed.

Appendix 1 to the report summarised the planned audit work carried out by Internal Audit for this period together with the objectives of the audit, 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 annual internal audit plan.

A question was asked in relation to the officers travelling and subsistence audit and G Fletcher confirmed that no duplicate payments had been made or costs incurred that were more than those permitted for travel and subsistence.

In response to a further question on the financial controls of the staff suggestion scheme, he advised that whilst the proper invoicing system was not being used, petty cash claims were correct and there had been no misuse of assets.

Following discussion it was **RESOLVED** that the information given, be noted.

- 3 **2006/2007 ANNUAL AUDIT PLAN COMPLETION**

Consideration was given to the report of the Audit Manager which advised of the audit work completed in 2006/7, a copy of which had been circulated to each Member.

G Fletcher took Members through the table set out in section 4.1 of the report which provided a comparison of work planned against what had actually been completed in 2006/7.

Due to the extra days on investigations and other unplanned audit work decisions had to be made on which audits to carry out and which could be carried forward to the next financial year. He explained that as reported to Audit Committee in the quarterly progress reports there had been more than the average number of final accounts to be audited this year which had resulted in 63 days over those planned. The section had achieved a coverage rate of 98.4% which meant that only a very small percentage (1.6%) of planned audit work could not be completed during the year for the reasons given.

A Member sought an assurance that contingencies were in place to manage slippage caused by unplanned audits resulting in some planned work being carried over to the next year. G Fletcher assured Members that audits that were carried forward were reviewed and prioritised according to the robustness of systems in place.

**RESOLVED** that the information given, be noted.

#### 4 **RISK MANAGEMENT PROGRESS REPORT**

Consideration was given to the report of the Principal Administration Officer which gave details of progress on the Council's approach to managing risk, the use of the 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 explained that there continued to be some slippage in the completion of the Management Action Plans and use of the Risk Register by managers. It was clear that most risks were being effectively managed in that risk management was well embedded, however the difficulty appeared to be the updating of action plans and a reluctance to fully utilise the software. This was despite established deadlines, full support and assistance and reinforcement by Management Team/Portfolio holders.

A Joint Audit Committee/Risk Management Strategy Steering Group (RMSSG) Risk Register Workshop had been held on 11 April 2007 and arising from this it was suggested that a work programme be developed for the Audit Committee to specifically review the Council's top corporate risks.

The following four groupings had therefore been identified for the Audit Committee to develop a Risk Assurance Work Plan for the forthcoming year:-

- decent homes/ALMO;
- local government review implications;
- partnerships;
- business continuity

In providing an update in relation to training, S Wardle explained that an introduction to risk management was to be rolled out to all Members as part of the Member development induction and training arrangements following the elections.

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The first two interactive sessions ‘STORM’ and Risk Register had been held on 7, 8 and 9 February and feedback had been obtained from participants to support the development of effective training for users.

In relation to the Risk Register software, the need to address the management of change issues arising from the use of the Register was being considered in detail by the RMSSG and a gap analysis had been completed to assist the Group to determine the key problems and priority issues to be addressed.

There were currently 44 registered users to the software and an additional 9 with view only rights. 4 further users were awaiting installation.

In discussing the report, Members agreed that a Risk Assurance Work Plan should be developed in respect of the top Corporate Risks and that the use of the Risk Register software by Managers would be closely monitored.

**RESOLVED** that

- (a) the content of the report, be noted;
- (b) a Risk Assurance work plan be developed for the corporate risk groups identified in paragraph 5.5 in the report, in consultation with the Chair and Vice-Chair of the Committee.

JE/MA/com audit/070501  
4 May 2007