

**THE MINUTES OF THE MEETING**  
**OF THE AUDIT SCRUTINY COMMITTEE**  
**HELD ON MONDAY 23<sup>rd</sup> JANUARY, 2006**

Present: Councillor G Pinkney (Chair)

Councillors B Bates, A Collinson,  
H High and Mrs M Nugent

Also Present: Councillor D Myers – Executive Member for  
E-Government and Scrutiny Liaison

Apologies: Councillors E Bell, R Davison, B Quinn, P Stradling

1. **THE MINUTES OF THE LAST MEETING** held on 3<sup>rd</sup> January, 2006, a copy of which had been circulated to each Member, were confirmed.
2. **THE MINUTES OF THE MEETING OF THE EXECUTIVE** held on 10<sup>th</sup> January, 2006, a copy of which had been circulated to each Member, were submitted.

**RESOLVED** that the information contained within the Minutes, be noted.

3. **PUBLIC QUESTION AND ANSWER SESSION**

There were no members of the public present.

4. **WORK PROGRAMME ISSUES**

(i) **Internal Audit Progress Report 2005/2006**

Consideration was given to the report of the Audit Manager which gave details of progress made in the completion of the 2005/2006 audit plan, a copy of which had been circulated to each Member.

The report gave details of planned audit work completed by Internal Audit in the following areas:-

Sales by Tender  
Credit Cards  
Recruitment and Selection  
Contracts

Attached as Appendix 2 to the report was a list of all the planned audit work currently in progress.

In relation to the sales by tender audit, Members were concerned that standing orders had not been followed for the receipt and opening of tenders. Members asked who was responsible for ensuring that the correct procedures were adhered to. The Audit Manager advised that Heads of Service were responsible for ensuring that standing orders were followed within their own Units and he would send a memo to Service Heads, in conjunction with the Monitoring Officer, reinforcing the procedures in place.

With regard to the Recruitment and Selection audit and the issue of security of personnel files, it was reported that at present information was kept in paper format, and once on-line recruitment was implemented there would be a need to ensure adequate security arrangements were in place.

**RESOLVED** that the information given, be noted and the Audit Manager provide an update in three months time in relation to the Sales by Tender audit, the Recruitment and Selection audit and the Contracts audit.

(ii) **Risk Management Project Report**

Consideration was given to the report of the Head of Democratic Services and Administration in relation to progress on risk management, a copy of which had been circulated to each Member.

The Head of Democratic Services and Administration advised that the report provided an update on how the Council's risk management strategy was being developed and identified a number of emerging issues that would need to be taken into consideration as part of the development of the Council's overall approach to managing risk. This report would be the first of a revised format quarterly progress report to Audit Scrutiny Committee.

The report also identified issues arising from the Key Lines of Enquiry (KLOE) from the Audit Commission's Use of Resources Assessment.

In relation to KLOE Appendix A to the report set out the key lines of enquiry which referred to how Councils manage risk as part of the Audit Commission's Use of resources Assessment. It was anticipated that at the current time the Council would be assessed at Level 2. However the District Audit's assessment was currently ongoing and the level may change as work progressed.

With regard to the existing Risk Management Strategy which was attached to the report for Members consideration, the Head of Democratic Services and Administration advised that whilst this had been successfully implemented there had been slippage in the Corporate Risk Review. This had been considered by the Risk Management Steering Group and a revised strategy drafted to take risk management forward. This was attached for consideration at Appendix C to the report. There were four key elements to the draft revised strategy as detailed and these had been updated to effectively manage risk at Easington, ensure it remained a key element of the Council's business planning and remained up to date and fit for purpose.

The Audit Scrutiny Committee would have a key role to play in implementing the strategy by seeking assurance that each of the elements were complied with.

It had become clear that the need for an effective software solution to manage and monitor the Council's risk was essential and a software system had been acquired from Risk Software Ltd (RSL). This product matched the Council's needs and approach to effectively manage

## **Audit Scrutiny Committee – 23<sup>rd</sup> January, 2006**

risks. Training awareness sessions would be held for Directors and Service Heads commencing on 26<sup>th</sup> January 2006. A demonstration could be arranged for Members of the Audit Scrutiny Committee if required.

The Head of Democratic Services and Administration advised that the last Corporate Risk Review had been carried out in 2003 and was linked to the Council's business/service planning process. There had been some slippage in the Council's approach since 2003 as a result of other priorities and this had been recognised as an area for attention.

A comprehensive all day risk Corporate/Strategic Risk Review had been arranged for 16<sup>th</sup> February, 2006 involving the Chief Executive, Directors, Heads of Service, Executive Members and the Chair and Vice Chair of Audit Scrutiny Committee.

The outcomes of the "Risk Review" would be completed by March 2006 and incorporated within the new Risk Management Software. The Service Plan risks arising from the service planning process should be finalised in readiness for April 2006 meaning that the Council would have a new electronic up to date risk register that could be instantly updated, monitored and reviewed.

Following discussion it was **RESOLVED** that the information contained within the report be noted and a demonstration of the Risk Management Software be arranged for Members of Audit Scrutiny Committee.

### **(iii) Auditors Report on the Best Value Performance Plan**

Consideration was given to the report of the Assistant Chief Executive which gave details of the Audit Commission's report on the Council's 2005/2006 Best Value Performance Plan, a copy of which had been circulated to each Member.

The Principal Corporate Development Officer advised that the Council had now received the Audit Commission's letter and report on the 2005/2006 Best Value Performance Plan which concluded that it complied in all respects with the relevant legislation and statutory guidance. The Audit Commission would produce a further report detailing their findings following their audit of specific Best Value Performance Indicators for 2004/2005 and a further report would be presented to Audit Scrutiny Committee.

It was intended to review the format of the Corporate and Performance Plan this year to make it more concise and to incorporate outcome measures within the priority areas. The work around this would involve consultation with appropriate Officers and recommendations for improvements would be reported to Members. Any changes to the Plan would be made in line with ensuring compliance with the statutory obligations.

A copy of the letter from the Audit Commission was attached to the report for Member's consideration.

**Audit Scrutiny Committee – 23<sup>rd</sup> January, 2006**

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

5. **Communication and Publicity**

There were no items to report.

JE/CS/COM/AUDIT/060102  
26<sup>th</sup> January 2006