

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE – 10 MARCH 2009

SUBMITTED TO THE COUNCIL MEETING – 21 APRIL 2009

(To be read in conjunction with the Agenda for the Meeting)

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| * Cllr Nicholas Holder (Chairman) | Cllr Mrs Diane James |
| Cllr Stephen Mulliner (Vice-Chairman) | Cllr Ken Reed |
| * Cllr Mike Causey | Cllr Mrs Nerissa Warner-O'Neill |
| * Cllr Stephen Hill | |

* Present

31. MINUTES (Agenda Item 1)

RESOLVED that the Minutes of the Meeting held on 25 November 2008 be confirmed and signed.

32. APOLOGIES FOR ABSENCE (Agenda Item 2)

Apologies for absence were received from Cllr Mulliner, Cllr Mrs James, Cllr Reed and Cllr Mrs Warner-O'Neill.

33. DISCLOSURE OF INTERESTS (Agenda Item 5)

There were no interests raised under this heading.

PART I – RECOMMENDATIONS TO THE COUNCIL

There were no matters falling within this category.

PARTS II AND III – MATTERS OF REPORT

Background Papers

The background papers relating to the following report items in Parts II and III are as specified in the agenda for the Audit Committee.

Part II – Matters Reported in Detail for the Information of the Council

There were no matters falling within this category.

Part III – Brief Summaries of Other Matters Dealt With

34. ANNUAL AUDIT AND INSPECTION LETTER (Agenda Item 5; Appendix A)

- 34.1 Jamie Bewick from the Audit Commission presented the Committee with the Annual Audit and Inspection Letter for 2007-08. He drew the Committee's attention to some of the key messages captured within the Audit Letter:-

- The good financial management of the Council and the prudent way it manages its finances, including good arrangements in place for value for money
- Good examples to mitigate the risks of the economic downturn
- Recognition for being one of the best Councils nationally at minimising the waste stream; and
- Strengthening the performance management process and the prospect that this would start to be reflected in the figures in the next year.

34.2 The letter also identified that the Council's performance in dealing with planning applications was well below average but recognised that actions had been taken to address this and there were now indications of improvement.

34.3 The Committee asked for clarity as to why the Audit Commission expected to continue to monitor the progress of the East Street scheme and was informed that, because of the level of investment involved in the scheme and the need to ensure value for money, there could be some relevance to the remit of the Audit Commission's work which would not impact upon planning or democratic decisions.

RESOLVED that the Annual Audit and Inspection Letter be received and the comments above be passed to the Executive.

35. PROGRESS ON IMPLEMENTATION OF 2007/08 INTERNAL AUDIT RECOMMENDATIONS (Agenda Item 6; Appendix B)

35.1 The Committee considered the report of the Head of Internal Audit setting out progress on the implementation of the 2007/08 Internal Audit recommendations. The Head of Housing was also present at the meeting, at the request of the Chairman and Vice-Chairman, and gave explanations for the recommendations relating to Choice-Based Lettings and Tenant Compensation. He agreed to bring forward the proposed action date for choice-based lettings to 31 March 2009 because the outstanding agreement was imminently ready to be signed.

35.2 With regard to council tax and the action to review user access rights to the IT system, the Committee agreed that this should be acted upon earlier and therefore the date was changed to 30 April from 30 June 2009.

RESOLVED that, subject to the deadline dates for choice-based lettings and council tax being brought forward as set out above, the revised target implementation dates for outstanding recommendations be agreed as set out in the report.

36. PROGRESS REPORT - IMPLEMENTATION OF ITIL (Agenda Item 7; Appendix C)

The Committee received a detailed update on the implementation of ITIL and some of the issues that IT had been dealing with since the New Year.

RESOLVED that the project plan be noted and the Committee continue to receive progress reports at future meetings.

37. PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2008/09 (Agenda Item 8; Appendix D)

37.1 The Committee raised a number of questions relating to progress against the Internal Audit Plan for 2008/09. With regard to Farnham Park and Section 106 Contributions, the Committee was interested to know how the funds were being used and it was agreed that a briefing note, including a financial monitoring statement could be prepared for circulation with Members' Outlook.

37.2 With regard to IT, the Committee was informed that an IT Strategy had been drafted and was in the final stages of preparation before being considered by the Executive in May/June 2009.

RESOLVED that the contents of the report be noted.

38. PREPARATION FOR AND PRESENTATION OF THE DRAFT INTERNAL AUDIT PLAN 2009/2010 (Agenda Item 9; Appendix E)

38.1 The Committee received the draft Internal Audit Plan for 2009/10 and recognised that the same level of planned audits for the next year had been maintained despite reductions in the budget. This had been achieved through the reallocation of non-audit duties within the Resources Department. The Committee was reminded that planned audits identified as high priority would all be undertaken during the year, unless there had been a recent audit and there had been no significant changes since.

38.2 The Committee asked about the level of fees charged by the Audit Commission and suggested that they should be at a lower level for 2009/10. It was agreed that the Audit Commission be invited to attend the June meeting of the Committee to discuss the forthcoming fee.

38.3 The Head of Internal Audit informed the Committee that he would shortly be commencing a tendering process for the Internal Audit Contracts and it was agreed that the Committee would discuss the tendering process at its June meeting.

RESOLVED that the comments of the Committee be taken into account by the Head of Internal Audit when finalising the Internal Audit Plan for 2009/10.

39. RISK MANAGEMENT FRAMEWORK (Agenda Item 10; Appendix F)

39.1 The Committee considered a report setting out the continued effectiveness of the current Risk Management Policy and Process Document and summarising the key risks currently facing the Council.

39.2 Members of the Audit Committee considered the risks, the measures currently in place and the further actions identified to manage these risks, and agreed to make the following recommendations to the Executive, that:-

- a. in view of the current difficult financial situation with regard to the Housing Revenue Account and meeting the Decent Homes Standard, urgent consideration should be given to undertaking a housing options appraisal; and
- b. the risk profile for the East Street Development (R/KBR004) and the Leisure Centres Management Contract and Capital Refurbishment (R/KBR008) should be revisited to ensure that the impact rating is appropriate.

RESOLVED that

1. the Risk Management Policy and Process Document, set out in Annexe 1 to the report be approved; and
2. the comments set out in paragraph 39.2 above be passed to the Executive.

The meeting commenced at 7.00 p.m. and concluded at 9.18 p.m.

Chairman