

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE – 23 NOVEMBER 2010

SUBMITTED TO THE COUNCIL MEETING – 14 DECEMBER 2010

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

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|------------------------------------|------------------------|
| * Cllr Stephen Mulliner (Chairman) | * Cllr Mrs Diane James |
| Cllr Mike Causey (Vice-Chairman)   | * Cllr Tom Martin      |
| * Cllr Tony Gordon-Smith           | * Cllr Ms Jane Thomson |
| * Cllr Peter Isherwood             |                        |
- \* Present

22. MINUTES (Agenda Item 1)

RESOLVED that the Minutes of the Meeting held on 28 September 2010 be confirmed and signed.

23. APOLOGIES FOR ABSENCE (Agenda Item 2)

Apologies for absence were received from Cllr Mike Causey.

24. DISCLOSURE OF INTERESTS (Agenda Item 3)

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**

25. REVIEW OF PROGRESS IN IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Agenda Item 5; Appendix A)

The Committee considered the progress report and received updates from Heads of Service present about items which were now fully or almost complete.

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The Committee agreed that in future, should recommendations be updated between the agenda despatch and the date of the meeting, a revised Annexe would be produced and tabled.

The Committee recognised the hard work undertaken by officers in ensuring that audit recommendations were prioritised and completed before the deadlines which had resulted in fewer being reported for lack of progress to the Committee at each meeting.

RESOLVED that the information set out in Annexes 1 and 2 be endorsed.

26. REVIEW IN PROGRESS IN ACHIEVING THE AUDIT PLAN 2010/11  
(Agenda Item 6; Appendix B)

The Committee received a report and revised Audit Plan taking account of the changes in resources available to the Internal Audit function from 12 November 2010. It was reported that there was flexibility with the contractor, Deloitte and Touche, and their resources were now being timetabled to complete those audits already programmed for the remainder of 2010/11.

RESOLVED that the progress made to date be noted.

27. IT AUDIT PROGRAMME (Agenda Item 7; Appendix C)

The Head of Customer and Office Services informed the Committee that work was now underway on the Firewalls audit and the Application Audit for Cash Income had been completed and the report was awaited. The Head of Democratic and Legal Services reported that the new contractor had requested an increase in Audit days from 40 to 51 and this had been agreed. The additional costs would be met from savings as a result of the changes in staffing structure. The Committee noted that the 51 days allocated to IT audits for 2010/11 were expected to be used.

RESOLVED that the report on the programme of IT Audits for 2010/11 be received and the increase in the number of Audit days for 2010/11 be endorsed.

28. UPDATE ON INTERNAL AUDIT FUNCTION (Agenda Item 8; Appendix D)

The Committee received a report advising them of recent changes in the Internal Audit Service, outlining future management arrangements and briefing on progress with the Foresight Review.

The Internal Audit Client Manager set out how she saw her role developing in overseeing and monitoring the contractor, Deloitte and Touche, in the audits they would be undertaking in the future. The Committee discussed the number of internal audit days currently undertaken by Waverley in comparison to other Surrey and neighbouring authorities and recognised that this information would be collated, along with budgetary and personnel information, in the Foresight Review report which would be completed in the New Year.

RESOLVED that

1. the new arrangements for internal audit be noted; and
2. a further report on the Foresight review of internal audit be presented to a special meeting of the Audit Committee in January which would also identify further possibilities to make savings in the 2011/12 budget for the Audit service.

29. EXCLUSION OF PRESS AND PUBLIC (Agenda Item 9)

At 7.54 p.m. it was

RESOLVED that, pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in the following paragraphs of the revised Part I of Schedule 12A to the Act, namely:-

3. Information relating to the financial or business affairs of any individual (including the authority holding that information).

30. ICT MANAGEMENT STRUCTURE

The Chairman noted that the current ICT management structure had been initiated in 2008 as part of wider management changes designed to streamline senior management. While there was no reason to doubt that the new structure was generally successful, he raised the concern that a generalist, multi-hatted Head of Service might not be appropriate for a technically specialist area like ICT.

The Committee discussed the merits of a technically-qualified Head of ICT and agreed to discuss the matter further at the special Audit Committee meeting to be held in January 2011 when it would be provided with results of research into how other Surrey districts manage ICT along with input from the Head of Customer and Office Services and the Chief Executive as Head of Paid Service.

RESOLVED that the Special Audit Committee, agreed above to be arranged in January 2011, discuss the ICT management structure in more detail, with the Head of Paid Service present.

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**The meeting commenced at 7.00 p.m. and concluded at 8.33 p.m.**

Chairman

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