

BRECKLAND COUNCIL

At a Meeting of the

AUDIT COMMITTEE

**Held on Friday, 24 June 2011 at 10.00 am in
Norfolk Room, Conference Suite, Elizabeth House, Dereham**

PRESENT

| | |
|----------------|--------------------------------|
| Lady Fisher | Mr R.P. Childerhouse |
| Mr T J Jermy | Mr C.R. Jordan (Chairman) |
| Mr M A Wassell | Mr R.G. Kybird (Vice-Chairman) |

Also Present

| | |
|---------------|--------------|
| Mr K. Stevens | Mr T. Ludlow |
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In Attendance

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| Leah Mickleborough | - Deputy Audit Manager |
| Chris Brooks | - Governance and Performance Accountant |
| Mark Finch | - Assistant Director of Finance |
| Julie Britton | - Senior Committee Officer |

41/11 MINUTES (AGENDA ITEM 1)

The Minutes of the meeting held on 10 June 2011 were confirmed as a correct record and signed by the Chairman.

42/11 APOLOGIES (AGENDA ITEM 2)

An apology for absence was received from Sandra King.

43/11 ANNUAL REPORT OF THE AUDIT COMMITTEE (AGENDA ITEM 6)

The Deputy Audit Manager presented the report which demonstrated the valuable work performed by the Audit Committee for the Council during the past year.

In response to a query with regard to the Match-funding application for Diss Rugby Club under the heading Service and Project Management, the Deputy Audit Manager advised that this matter would have been addressed within paragraph 3.5.2 – requests for review from Cabinet.

RESOLVED that the report be noted and approved for submission to the next Full Council meeting.

44/11 ANNUAL GOVERNANCE STATEMENT FOR 2010/11 (AGENDA ITEM 7)

Members' approval was sought for the Annual Governance Statement to be included in the Council's published Financial Accounts for 2010-11.

The report drew on the findings of internal audit throughout the year.

Members were requested to review the draft Annual Governance Statement (Appendix A to the report), to ensure that it reflected the

Action By

Julie
Britton,
Mark
Finch,
Helen
McAleer

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reports that had been considered over the past year, including the private discussions held with auditors, and that it supported their general understanding of the authority's governance statement.

Once approved by the Committee, the Statement would be presented to the Leader and the Chief Executive for formal sign off and submission to external audit, along with the Statement of Accounts.

Improved governance arrangements had been put in place which the Council had continued to strengthen over the past year.

Referring to the Constitution that had been reviewed and updated, Members were informed that further updating would be required to align it with the new joint management arrangements. The Chairman pointed out that Norfolk County Council had asked its Members and Management to work together on its review and felt that it would be much more acceptable and beneficial for Breckland Council to do the same in the form of a Working Group. Mr Kybird asked if there would be common wording inserted for both authorities. Members were informed that would be the case where it was appropriate to do so.

The Assistant Director of Finance agreed with the aforementioned idea as it would be a good way of extending the knowledge of the Constitution.

Additionally, further improvements to the governance arrangements included:

- two Independent Members being appointed to the Audit Committee;
- the Whistleblowing, Money Laundering and Anti-fraud policies being updated;
- the merger of Business Improvement Sub-Committee with the Capital Programme Working Group to form a Business and Projects Sub-Committee; and
- Charter Plus status being attained for Elected Member Development.

Adhering to the Transparency Agenda had not, as yet, been included in the Statement but the Assistant Director of Finance suggested that it be included in the final draft.

Under the heading Quality of Services a question was asked about the Use of Resources assessment carried out in 2008/09, Members were informed that such an assessment had not been carried out last year as government policy had removed this requirement. An extra line would be added to this paragraph to highlight this point.

The Risk Management review had been recognised as a 'Good Assurance' assessment which reflected the good work carried out by the Governance & Performance Team and the Audit Committee.

Under Partnerships, Growth Point funding for Thetford had been highlighted as requested by Mr Kybird at the previous meeting. It was also felt appropriate to mention under this heading the expansion of the Anglia Revenues & Benefits Partnership and the close links with South Holland District Council.

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Mr Ludlow considered the Governance Statement to be a good document but felt it lacked demonstration of how these policies and procedures had been operated. He suggested that a penultimate paragraph or a reference should be added so that the public was aware that the Statement was a reflection of the various Audit reports throughout the year.

The Chairman asked if the Council had a system of checks to assess whether everything was working overall. The Assistant Director of Finance stated that this was already happening through the internal audit reports and referred to the annual report of the Head of Internal Audit that had been approved at the previous meeting. Additionally, Managers provided governance assurance statements on a regular basis with these also contributing to the review of governance arrangements.

Mr Kybird asked how the implementations were monitored when decisions had been made. The Chairman pointed out that there was a method in place but he did not know where this was shown on the Statement.

After further discussion, it was agreed that under the Audit Committee's Review of Effectiveness additional wording would be added to the fourth comment to clarify the reports that the Committee considered.

A minor textual correction was noted re: expansion of ASB to Anti-Social Behaviour.

RESOLVED that the Annual Governance Statement for 2010/11 be approved.

45/11 QUARTER 4 GOVERNANCE REPORT RISKS (AGENDA ITEM 8)

The Governance & Performance Accountant presented the report and highlighted to Members that no new risks had been identified and a number of risks had been closed – these would remain archived for future reference.

Under Customer Services it was noted that risk R-CS 04 had decreased following the successful implementation of a new telephony system. In response to a question, Lady K Fisher explained how the new telephony system compared with other Councils.

Pages 18 to 27 highlighted the highest risks which were outside of the Council's tolerance level, the main risks to note were:

- R-SR 10 – Snetterton Utilities Project – Score 6 - it was noted that the Economic Development Team and the Planning Team had been working with Icen Power who were looking to put forward a planning application for a 40 megawatt bio-mass plant on the south side of Snetterton Heath. Development proposals were being put forward and an outline planning application was expected in the next six months. Failure to secure power for Snetterton would have significant implications on planned and potential future employment and would result in reputational damage being suffered by the Council.

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- R-SR 13 – Corporate Health & Safety Plan – Score 6 - Norfolk County Council had completed a review of Breckland Council's Health & Safety arrangements. The relevant policy updates, improvement plans and training would be delivered in the near future. This work had been undertaken in consultation with the Council's Corporate Health & Safety Joint Consultative Group.

Mr Kybird felt that 6 was quite a high score and asked what the deficiencies were in the Health & Safety plan. The Governance & Performance Accountant was unsure and said that he would divulge this information to the Committee when he had this information to hand. Mr Kybird was hopeful that next time the Committee discussed the Governance report this risk would have been degraded.

Lady K Fisher felt that the score of 6 was much too low for the Snetterton Utilities Project and should be highlighted as a more serious risk. She felt that the score should be reviewed.

Subject to the word breach being changed to breach, the report was otherwise noted.

**46/11 SERVICE TEAM PLANS AND STRATEGIC RISK REGISTERS
(AGENDA ITEM 9)**

The Service Team Plans and Strategic Risk Register would be presented at a future meeting.

**47/11 FUTURE OF LOCAL PUBLIC AUDIT - CONSULTATION (AGENDA
ITEM 10)**

On the 13 August 2010 the Secretary of State for Communities and Local Government announced plans to disband the Audit Commission, and refocus audit of local public bodies on helping local people hold those bodies to account for local spending decisions, the very essence of localism.

The aim was to replace the current, centralised audit systems managed by the Audit Commission, with a new decentralised regime, which would support local democratic accountability, and one that would also cut bureaucracy and costs, whilst ensuring that robust local public audit continued.

A consultation on the Future of Local Public Audit had been published and Members had been afforded with the draft joint response from the District Council Chief Executives' Network and Society of District Council Treasurers and Breckland Council's response. Members were being asked to consider all responses and put forward an Audit Committee response on behalf of the Council.

The Committee considered every question in turn and agreed the responses on behalf of the authority.

(The questions and responses have been appended to these Minutes for information).

48/11 WORK PROGRAMME (AGENDA ITEM 11)

A revised Work Programme had been circulated.

The private meeting between Audit Committee and internal and external audit managers would commence at 9.30am on 25 November 2011.

It was noted that the 25 March 2012 was in fact a Sunday and was changed to Friday, 23 March 2012.

It was proposed and agreed that a Training Programme for new and existing Members should be arranged.

It was also suggested that a meeting be held with South Holland District Council's Audit Committee.

49/11 NEXT MEETING (AGENDA ITEM 12)

Arrangements for the next meeting on 30 September 2011 were noted.

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The meeting closed at 11.45 am

CHAIRMAN