**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
Committee Room 3A - Town Hall
3 December 2013 (7.30 - 8.55 pm)**

Present:

COUNCILLORS:

Conservative Group   Georgina Galpin (in the Chair) Frederick Thompson
                                (Vice-Chair) and Roger Ramsey

Residents' Group   Clarence Barrett

Through the Chairman, announcements were made regarding emergency evacuation arrangements and the decision making process followed by the Committee.

26   **MINUTES OF THE MEETING**

The minutes of the meeting held on 26 September, 2013 were agreed as a correct record and signed by the Chairman.

27   **ONE ORACLE**

The Committee were advised that it was intended that the One Oracle system would go live on 2 December, 2013. This had had to be delayed for two reasons:
- Functional satisfaction; and
- Need external accreditation to access the shared Data Centre.

Two time slots to achieve accreditation had been missed but this would be achieved by the end of play this coming Friday.

Officers were working with our partners to agree a new 'Going Live' date with two options being considered, either 2 February or 7 April. There were pros and cons for both dates and these were being debated.

This delay would have no impact on Romulus.

The report was **noted** and we have asked officers to keep us informed on progress.

28   **CLOSURE OF ACCOUNTS**

Officers advised that everything was in place for the timely closure of accounts. The only uncertainty concerned the timing of the introduction of One Oracle. However, plans were in place to cope with whichever option is chosen.

The report was **noted**.

29   **INTERNAL AUDIT PROGRESS REPORT**

We have received a report detailing the work undertaken by the Internal Audit team during the period 29 June 2013 to 30 September, 2013. During this period the Audit Team completed 8 System Audits and 5 School Audits this means 42% of the audit plan has been delivered against a target for the period of 45%.

A list of outstanding audit recommendations was provided, together with details of the total number of recommendations in the original report. This provided a sense of proportion as to the extent of the potential problem.

Officers advised that the one outstanding recommendation in respect of Cemeteries and Crematorium had been completed since the report was written.

We have asked officers to provide further information on the two recommendations rejected by management. These related to i-Expenses and Tenancy management. An update would be provided to us at the next meeting.

The report was **noted.**

30   **SUMMARIES OF INTERNAL AUDIT REPORTS ISSUED DURING THE PERIOD 29 JUNE, 2013 TO 30 SEPTEMBER, 2013**

Eight system audits were completed in quarter 2 and report sumaaries were provided for our information. We noted most of the reports but raised the following questions:
  - Freedom of Information – we were advised at the moment we were receiving approximately 1300 FOI request per annum. We were responding to 91% to 92% of these within 20 days. However, the requests were tending to get more complex.

    Part of the reason that the response rate had fallen was the introduction of a modular CRM system. This had not proved to be user friendly and had been dropped in March. Since then officers had been catching up.

We have suggested that if more information was required the Value Overview and Scrutiny Committee could form a Topic Group to look at how we deal with Freedom for Information requests.

- Public Health Grant 2013/14 – The report advised that whilst there was an expectation that the grant would be spent by the end of the year underspend could be carried forward to the next financial year as part of a public health reserve. The indication was that the Department of Health had already agreed an allocation for 2014/15. However, there was a risk that in future years the allocation could be reduced if the Council regularly reported large underspends.

- Adult Social Care (ASC): Administration of client income – clarification was sort and given that the process and internal controls in place were robust enough to ensure that future forecasts were more accurate.

The report was **noted.**

31 **SUMMARIES OF SCHOOL AUDIT REPORTS ISSUED DURING THE PERIOD 29 JUNE, 2013 TO 30 SEPTEMBER, 2013.**

During quarter 2 the Internal Audit team had completes audits for 5 schools. Two of the schools had achieved full assurance and the other three substantial assurance.

We have expressed concern that St Mary's Catholic Primary School were not arranging for CRB checks for volunteers helping with swimming. We have asked that the matter be brought to the attention of the Schools HR team and the Children's Safeguarding team.

In considering all the reports we noted that similar issues were raised in respect of more than one school and queried what action was taken in these cases.

Officers advised that they were piloting a school iPad Audit app which would be supplied to schools which would highlight to schools areas which would be audited by the Team. We have asked officers to provide us with a copy of this app.

The report was **noted.**

32 **FRAUD PROGRESS REPORT.**

We have received a report on the work of the Internal Audit Corporate Fraud Team and the Benefit Investigation Team during the period from 1 July 2013 to 30 September, 2013. Details of the number of cases considered and

received were provided. The Corporate Fraud time had considered 14 cases during the period of these 10 had been successful. Of these 9 had resulted in Management Action Plans and one had seen a member of staff resign.

Details of three successful benefit prosecutions and three successful housing tenancy cases were provided; together with details of a very successful prosecution were the benefit fraudster Sally-Ann Beresford had been ordered to repay the Council £180,000 following a Proceeds of Crime hearing.

We have **noted** the report.

33   **GOVERNANCE UPDATE**

Each year we are required to produce an Annual Governance Statement. The report set out the timescales for the production of the 2013/14 Statement.

Regulation 4(3) of the Accounts and Audit (England) Regulations 2011 requires all relevant bodies to prepare an annual governance statement which must accompany the statement of accounts. The 'Delivering Good Governance in Local Government Guidance 2012' urges councils to prepare an Annual governance statement in order to report publicly on the extent to which it complies with its own code of governance on an annual basis.

If any potential issues were highlighted during the process of preparing the Statement they would be brought to our attention in February, with the draft Statement being submitted to us in April.

We have **noted** the report.

34   **EXCLUSION OF THE PUBLIC**

The Committee resolved to excluded the public from the meeting during discussion of the following item on the grounds that if members of the public were present it was likely that, given the nature of the business to be transacted, that there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972 which could reveal information relating to the financial or business affairs of any particular person (including the authority holding that information) and it was not in the public interest to publish this information.

35   **SURTEES CONTRACT**

Officers advised that negotiations regarding the Terms of the Contract between the Council and Surtees were on-going. Progress was being made but there were two big issues outstanding.

We have **noted** the report.

36   **TREASURY MANAGEMENT**

We have received an update on the position of Treasury management for the quarter ended 30 September, 2013. We have noted that the Council still have ample cash flow available but that this position would change towards the end of the financial year.

We have **noted** the report.

Chairman