

Audit Committee – Meeting held on Thursday, 25th November, 2010.

Present:- Mr Kwatra (Chair), Councillors Chohan, Dhillon, Haines and Small

Apologies for Absence:- Councillor Walsh

PART I

22. Declarations of Interest

None were declared.

23. Minutes of the last meeting held on 19th October 2010

The Minutes of the last meeting of the Committee held on 19th October 2010 were agreed as a correct record.

24. Matters Arising

Committee Members were reminded that, as agreed at the last Committee meeting, the Directors responsible for the service areas relating to Emergency Planning and Appointeeship were present to discuss the audits relating to these areas which had received a Limited Assurance Opinion.

Denise Alder, Strategic Director for Green and Built Environment, explained to the Committee the circumstances relating to why the Emergency Planning service had received a Limited Assurance Opinion. It was noted that immediately following the departure of the Emergency Planning Officer, preparations to deal with swine flu had to be implemented. In addition, the current Emergency Planning Officer was not appointed to the post until November 2010, initially on a part-time basis. It was stated that much of the work in relation to emergency planning that was being carried out at that time was reactive work as opposed to planning and policy work. However, remedial action had been taken and a training programme was in place which would ensure that emergency planning for Slough was more than adequate and fit for purpose. Members thanked the Director for her update which was noted.

Referring to the Limited Assurance Opinion that was given for Appointeeship, Corporate Director of Community and Wellbeing, Jane Wood, stated that some of the recommendations following the audit review had been fully implemented, including procedure and guidance that was in place for Appointeeship. However, a number of the recommendations were still being implemented and Members were informed that an individual had been trained in order to cover any issues that were required in relation to Appointeeship. It was noted that the issue of Appointeeship affected a limited number of people in Slough and progress and development was being made with regard to this area.

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The update was noted and the Director was thanked for attending and providing an update to the Committee.

25. Proposals for future delivery of Internal Audit - Presentation by Strategic Director of Resources

The Strategic Director of Resources reported that the Council was facing an enormous financial challenge and a number of none frontline services were being reviewed, of which Internal Audit was a part of. It was stated that when reviewing the service it was noted that there were too many audit days that had been allocated which needed to be reduced and a number of options were being explored. It was noted that whilst audit days were still required these would be targeted in specific areas. A Member expressed concern in the level of reduction in the number of audit days that was being proposed. The Strategic Director of Resources stated that the audits would be tailored to meet the risk profiles for Slough Borough Council. It was stated that in the various options that had been reviewed and through knowledge of the level of internal audit delivery at similar local authorities it was estimated that the internal audit plan for Slough Borough Council could potentially be delivered within 750 internal audit days.

Current costs relating to the delivery of the Internal Audit services were outlined, which included employee costs. The various proposals and options in relation to internal audit and risk management were outlined and Members were informed that the most favourable option with regard to achieving savings, whilst at the same time delivering an effective service, included a combined audit and investigations team. It was anticipated that the total proposed savings should this option be implemented would be approximately £234,000. The Strategic Director of Resources stated that this option would enable retention of the management of the audit plan within the Council under the Assistant Director for Finance and Audit and also enable further efficiencies as a result of reviewing the wider team resources.

It was noted that the Council's Investigations Team currently included 4.8 investigators. Although this was considerably higher than neighbouring authorities members were informed that the Council conducted its own financial investigations and received a higher number of referrals in comparison to other local authorities in Berkshire. It was noted that in 2008/2009 Wokingham Borough Council received 362 referrals compared with 765 referrals received in Slough.

It was noted that the Council currently employed 1.5 accredited financial investigators, who under the Home Office's proceeds of Crime Act Incentive Scheme were able to recover up to 37.5% of confiscated assets following the rest of criminals who benefited from local crimes and reinvest the proceeds back into local public services. It was highlighted that the use of internal financial investigators was seen as a positive step in tackling fraud locally and demonstrated Slough Borough Council as a forward thinking council in this area. It was brought to Members attention that this approach had been commended by the Local Government Association and the Audit Commission.

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The Strategic Director of Resources outlined that bids would be invited from three framework arrangements (Deloitte, KPMG and PWC) and also invite the shared service proposal to submit a bid for the supply of the remaining audit days outside the capacity of the reduced in-house team.

Committee Members were informed that the option as highlighted was agreed by Cabinet and was currently subject to consultation with unions and staff members.

Resolved – That details of the presentation be noted.

26. Training for Members - Presentation by Deloitte

Members were informed that in accordance with CIPFA requirements training was required for Audit Committee Members on a continuous basis. It was proposed that prior to the next scheduled meeting of the Audit Committee training would be delivered to Committee Members as to their role and responsibilities as members of the Audit Committee.

Resolved – Agreed that training be provided immediately prior to the next scheduled meeting on Monday 7th March 2011 at 6.00 pm.

27. Update on Delivery of Internal Audit Plan

Members were provided with an update on delivery of the Internal Audit Plan and noted that a total of 95 audit reports were due in the Audit Plan 2010/11. A detailed breakdown with regard to the reports was provided and included 28 reports that had been finalised, 10 were in draft form, 39 were work in progress; whilst work on the outstanding audit reports was due in Quarter Four.

Resolved – That the update be noted.

28. Members Attendance Record

Noted.

29. Date of the next meeting - Monday 7 March 2011

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.05 pm)