

## **Audit and Risk Committee – Meeting held on Monday, 25th March, 2013.**

**Present:-** Councillors Nazir (Chair), Abe, Brooker, Chohan, A S Dhaliwal and Mr Kwatra

**Apologies for Absence:-** None received.

### **PART 1**

#### **28. Declarations of Interest**

There were no declarations of interest.

#### **29. Minutes of the last meeting held on 8th November 2012**

##### **Resolved –**

That the minutes of the meeting held on 8<sup>th</sup> November 2012 be approved as a correct record.

##### Matters arising

Attendance - a Member queried the procedure for recording the attendance of Members who arrived after the start of the meeting. The Democratic Services Officer stated that the way in which Members attendance was recorded and reported was standard across all meetings of the Council and its committees.

#### **30. Internal Audit Progress Report**

The Head of Internal Audit presented the Internal Audit Progress Report which set out the progress made against the internal audit plan of 2012/13.

Members were informed that 19 audit reports had been finalised since the last meeting in November 2012 and the report set out the high priority recommendations relating to these audits. Good progress had been made overall with 15 of the 19 receiving positive assurance opinions with the remaining 4 receiving negative opinions. The report summarised all of the audit reports conducted in 2012/13 including the opinion and number of recommendations. It was noted that all of the finalised reports had been agreed with management and named officers had been designated responsibility to complete the agreed actions.

The Committee considered the key findings on the audit assignments completed since the previous meeting, and gave particular attention to those reports rated negative i.e. Contract Management – block nursing and Safeguarding – Risk Assessment. The discussion can be summarised as follows:

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- Safeguarding Risk Assessment – Members considered the existing risk assessment procedures, staff turnover, the statutory obligations and the implications of weaknesses in assessing risk. The Head of Internal Audit confirmed that the review had been focused on compliance with the procedures, and particularly the use of Risk Assessment Matrix forms, not any potential risk to children which was outside the scope of the review. Members noted the high risk recommendations and emphasised the importance of tracking the actions to ensure the appropriate measures were implemented.
- Recruitment – a Member expressed concern about the compliance issues regarding the retention of evidence justifying recruitment decisions which had contributed high risk recommendation 3. The Assistant Internal Audit Manager stated that management had been debriefed on the findings and it was their role to investigate any individual cases as appropriate. It was agreed that Internal Audit would clarify the action taken in response to this matter and report back to the Committee. A Member asked whether the Councils probation procedures for newly recruited staff had formed part of the review. The Head of Internal Audit stated that it wasn't in the scope of the review but that this could be followed up in a future audit of either the appraisal or personal development procedures.
- Action tracking – a new system was being put in place to track and monitor the management action taken to address recommendations. It was agreed that the Committee would be kept up to date to ensure they were confident that that issues identified in audits had been addressed.

**Resolved** - (a) That the report be noted.

(b) That Members be updated on the progress of implementing recommendations in future meetings by reports presented by management. Internal Audit will also carry out some independent testing throughout the year and report back to the committee.

### 31. Annual Internal Audit Plan

The Head of Internal Audit presented a report proposing the Internal Audit Strategy for 2013/14 to 2014/15. The Strategy had been informed by the Councils risk management process and developed following consultation with senior management from across the authority to identify internal audit needs.

Members considered a range of issues relating to the Strategy, in particular the potential risk to Council Tax revenue arising from the reform of Council Tax benefits. It was noted that Council Tax was included as a core area for review as part of the Council's financial controls and the issue was also included in the External Audit Plan. The Assistant Director of Finance and

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Audit also confirmed that officers would be closely monitoring the impact as an important part of revenue against budget.

A Member asked for clarification of the audit arrangements for the Local Asset Backed Vehicle (LABV). It was confirmed that this would be considered by the External Auditors and therefore it did not form part of the Internal Audit Plan for 2013/14.

**Resolved –** That the Internal Audit Strategy 2013/14 to 2014/15 be approved.

### **32. External Audit Plan**

Mr Grant and Ms Combrinck from the Council's external auditors, PKF, presented the External Audit Plan for the year ending 31 March 2013.

Members were informed of the scope of the audit, fees and the procedures that PKF would adopt. It was noted that the following areas of activity would be included in the external audit plan:

- The use of resources and particularly the implementation of the Medium Term Financial Strategy.
- The development of the LABV including the governance arrangements and the Council's exposure to risk.
- The Council's new public health responsibilities and operation of the new Slough Wellbeing Board.
- The localisation of Council Tax support.

In response to a question from a Member it was confirmed by the external auditors that a level of materiality had been established.

**Resolved –** That the External Audit Plan be approved.

### **33. Risk Management**

The Senior Risk and Insurance Officer reviewed a report setting out the Risk Management Strategy for 2013/14.

The Committee were informed that the four main actions arising from the Risk Management Strategy adopted in November 2012 had already been completed and therefore a new and more challenging strategy for 2013/14 was being developed. It was noted that RSM Tenon, the Council's Internal Auditors, would assist the authority in developing this strategy for 2013/14 and that this review would be completed by 31<sup>st</sup> April 2013. A number of initial actions to improve the quality and utilisation of the Risk Registers had already been identified.

**Resolved –** That the Risk Management Strategy report be noted.

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**34. Members Attendance Record**

**Resolved** – That the report be noted.

**35. Date of Next Meeting - 25th June 2013**

**Resolved** – That the date of the next meeting be Tuesday, 25<sup>th</sup> June 2013.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 7.30 pm)