

Audit Committee – Meeting held on Wednesday, 1st July, 2009.

Present:- Mr Kwatra (Chair), Councillors Chohan, Dale-Gough, Haines and Mann

PART 1

1. Election of Chair

Resolved – That Mr Kwatra be appointed Chairman for the municipal year 2009/2010.

2. Election of Vice-Chair

Resolved – That Councillor Dale-Gough be elected as Vice-Chairman for the municipal year 2009/2010.

3. Declarations of Interest

None were received.

4. Minutes of the meeting held on 12th March 2009

The minutes of the last meeting held on 12th March 2009 were approved as a correct record.

5. Terms of Reference of the Audit Committee

Details of the terms of reference for the Audit Committee were outlined. A Member queried whether membership of the committee would be affected if they also served on the Overview and Scrutiny Committee. It was clarified that in order to promote the independence of the Committee cross membership between the Overview and Scrutiny Committee and Audit Committee was limited to a maximum of two members.

Discussion regarding the procedure in terms of the Committee's role in challenging and checking the Annual Governance Statement (AGS) prior to adoption by the Council was raised. The Head of Internal Audit and Risk Management (HoIA&RM) advised that any concerns raised by the Committee would be incorporated in the annual performance report submitted to Council. It was noted that future meetings of the Committee and Council be scheduled in order to allow the AGS to be considered by the Committee prior to adoption by the Council.

It was requested that the Anti-Fraud and Corruption Policy be reviewed at the next meeting of Committee.

Resolved – That the Terms of Reference be noted.

6. Quarter 4 Internal Audit Update

The HoIA&RM outlined a summary of the work carried out by internal audit for Members consideration, highlighting that 14 days had been deleted from the Audit Plan work programme. Specifically, 10 days had been deleted from the scheduled audit of the elections service. It was explained that this would be carried forward to 2009/10 and carried out following the elections in May 2010.

It was brought to Members attention that an audit of the electoral registration service had received an unassigned assurance level and that six recommendations had been suggested to improve the performance and administration of this service. The Borough Secretary explained that the electoral registration system was considered inadequate on a national level and that he had written to the Electoral Commission regarding these concerns. Specifically, it was recommended that a full electoral register canvass be carried out for the Borough. Members were informed that a report was due to be submitted to the meeting of Council in July regarding securing funding that would enable this exercise to be carried out. In addition, extra short term funding was being sought to allow extra individuals to be employed between January and May to check late applications. It was noted that where there were more than eight individuals registered in a single property then this would be investigated further.

Committee Members were informed that an audit had also been undertaken with regard to the adequacy of the governance and financial arrangements in all schools in Slough.

Resolved – The internal audit quarterly update was agreed after discussion and challenge and Members endorsed the principle of short term funding to action the recommendations proposed for the electoral registration service.

7. Annual Head of Audit Opinion 08/09

Members were informed that from the internal audit work undertaken in 2008/09 the HoIA&RM could provide reasonable assurance that the system of internal control that was in place at Slough Borough Council was in accordance with best practice. However, a number of areas where improvements could be made were highlighted and included:

- **Mobile Telephones:** The audit of mobile phones found that there were no reliable internal controls or guidance for users and no assurance was given that the systems of control in place regarding mobile phones was adequate. It was noted that a number of recommendations had been made, including the implementation of a written policy regarding the allocation and usage of mobile phones. A Member suggested that the written policy be formulated by the HR Department even though current responsibility for mobile phones was within the IT department.

Audit Committee - 01.07.09

- Longcroft Residential Home: The review revealed that adequate financial controls were not in place. It was brought to Members attention that although Longcroft Residential Home was in the process of being closed, the recommendations made as a result of the audit would be shared with other residential homes to ensure adequate financial controls were implemented.
- Handyman Scheme: No monitoring or evaluation of the handyman service provided by Age Concern. Five recommendations made to improve administration of the scheme.

Resolved – The Annual Head of Audit Opinion 2008/09 was agreed after discussion and challenge.

8. Annual Governance Statement

Details of the Annual Governance Statement were outlined for members consideration. It was explained that the governance framework comprised of systems and processes to enable the Authority to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost-effective services.

The HoA&RM explained that following meetings of the annual Governance Working Group significant governance issues had been grouped into three themes:

- Projects/Partnerships
- Staffing
- Provision of Services

A Member requested that a comprehensive list of who the Authority worked in partnership be provided and that definition of 'partnership' be provided. It was noted that partnership working was one of the areas that was regularly reviewed in order to monitor who was liable for the responsibilities within the partnerships that had been set up.

Resolved – Details of the Annual Governance Statement were agreed after discussion and challenge.

9. Slough 08-09 Audit Plan Refresh (Audit Commission)

Mark Atlow from the Audit Commission reminded Members that the Audit Plan was agreed by Council in April 2008. However, this had now been updated to ensure that the work carried out remained proportionate and risk based. In particular the following points were highlighted:

- Financial Health and Partnership Working: An East Berkshire cross sector review had been conducted looking at the management of health and social care pressures.

Audit Committee - 01.07.09

- Health Inequalities: An East Berkshire cross sector review had been conducted looking at arrangements for reducing health inequalities.

It was noted that the findings of the above reviews had been reported to the Local Strategic Partnership Board. Members requested that the reports be considered at the next committee meeting.

Areas of audit risks were outlined, which included that the Council had weak controls over authorisation of journals. The proposed responses to these specific issues were noted.

Resolved – That details of the Audit Plan 2008/09 Refresh be noted.

10. Slough 09-10 Audit Fee Letter (Audit Commission)

Details of the audit work proposed for 2009/2010 were outlined together with the proposed audit fee. It was noted that the proposed fee was 23% above the scale of fees 2009/2010. Responding to a member query relating to whether the service provided value for money, Mark Atlow stated that there had been a fee increase due to a number of reasons, including the fact that the Council was entering into an arrangement with two other councils for the provision of shared back office services. It was explained that whilst this could offer significant economies of scale, service performance, business continuity and contractual risks still needed to be managed.

Resolved – That details of the Slough 2009/10 Audit fee Letter be noted.

11. Slough 09-10 Inspection Fee Letter

Members were informed of the assessment and inspection work proposed by the Audit Commission for the financial year 2009/2010 at Slough Borough Council. Three main areas of work were noted as:

- Area assessment of local partnership
- Managing performance theme of organisational assessment
- Benefits Service inspection.

Members were informed that the total indicative fee for inspection for 2009/10 was £18,293 and that the inspection fee had been set in accordance with the Audit Commission's work programme and scale of fees 2009/10.

Resolved – That details of the Inspection Fee Letter be noted.

12. Date of the next meeting

Monday 14 September 2009.

Chair

Audit Committee - 01.07.09

(Note: The Meeting opened at 6.30 pm and closed at 10.10 pm)