

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Audit and Governance Committee held at Knowle, Sidmouth on 15 March 2007**

**Present:** Councillors:  
A J Wilkinson (Chairman)  
  
R W Boote  
C F A Gibbings  
A R Giles  
B J Toye

**Also present:** Councillor A T Moulding

**Apologies:** Councillors:  
  
P Burrows  
J P Halse  
S C Luxton

The meeting started at 4.30 pm and ended at 5.55 pm

**\*15 Minutes**

The minutes of the meeting of the Audit and Governance Committee held on 14 December 2006, were confirmed and signed as a true record.

**\*16 Exclusion of the Public**

**RESOLVED:** that the classification given to the documents to be submitted to the Board be confirmed and that the reports relating to exempt information be dealt with under Part B of the agenda.

**\*17 Internal Audit activity for the period 1 October 2006 to 28 February 2007**

Consideration was given to the report of the Internal Audit and Risk Manager regarding Internal Audit activity for the period 1 October to 28 February 2007. Members noted that there had been a lot of work completed on the plan during the past year. The remaining uncompleted work would be finalised either prior to the year end or just after. A problem highlighted was with the account names of staff who had left the Council remaining on the computer system and still able to log in. The Audit Manager was asked to provide a report to the next Audit & Governance Committee giving details on whether this was still a concern.

The Key Findings report had reported again on the issue of unrepresented cheques and the Head of Finance was asked to explain the process. Kieron Marston from the Audit Commission who was present at the meeting concurred with internal audit that the reconciliations should be carried out on a monthly basis on a monthly basis. Members noted that this issue was on track to be resolved in the near future. The Key Findings Report also raised again the issue with regards to the Cedar System's inability to run comprehensive audit reports. This had also featured in the Action Plan for the Statement of Internal Control. The Head of ICT had been requested to provide a timetable for the Cedar Security review.

\*17 **Internal Audit activity for the period 1 October 2006 to 28 February 2007**(Cont)

Members expressed concern that there was no service within the Council that had direct responsibility for dealing with confidential waste. This was emanated from a variety of different services and constituted any paper output (either manual or computerised) that contained sensitive personal information on either staff or citizens. It was noted that this waste would now be shredded on site by the Xerox Contractors. Members noted that the internal audit plan for 2007/08 contained additional information on the risks that were now to be reviewed by audit staff during the year.

Members noted that the number of days available for contingency and investigative work within the 2007/08 audit plan had been drastically reduced. The current workload meant the service would be working to a very tight schedule and would be unable to respond to the many requests for help and assistance from Council managers and directors. Members noted the number of days that had been allowed for data quality and BVPI work.

- RESOLVED:**
- 1) that the work conducted so far be approved;
  - 2) that the appendices accompanying the report be noted;
  - 3) that the Internal Audit and Risk Manager bring a report to the next meeting regarding staff leavers whose accounts/log details remained on the system;
  - 4) that Moya Moore and Rachel deBradney be congratulated on passing their MIIA qualification and Paul Hodgson for passing his PIIA qualification.

\*18 **Corporate Governance activity for the period 1 October 2006 to 28 February 2007**

Consideration was given to the report of the Internal Audit and Risk Manager regarding Corporate Governance activity for the period 1 October 2006 to 28 February 2007. Members were pleased with the progress made so far.

Members discussed the disaster recovery plan and noted that the recovery site had been changed to Manstone depot. The District Council had received a number of compliments on the way it had handled the emergency arising from the grounding of the MSC Napoli. In addition the January computer virus incident had occurred at the same time and had further tested the disaster recovery plan. The Committee felt it was essential that the plan was reviewed to confirm security and the necessary controls were in place.

- RESOLVED:**
- 1) that the Corporate Governance activity for the period 1 October 2006 to 28 February 2007 be noted;
  - 2) that the SIC action plan and implementation schedule at Appendix 1 to the report and the Corporate Governance Work plan for 2007/08 – Appendix 2 to the report;
  - 3) that a report be made to the next meeting of the Audit & Governance Committee on Business Continuity Management

**\*19 Audit Commission Housing Inspection**

The Committee considered a report prepared by the Head of Housing and Social Inclusion giving an update report on preparations for the scheduled housing inspection. This would be undertaken in September 2007 by the Housing Inspectorate arm of the Audit Commission. A project team had been established and had met for the first time in February 2007. Self-assessment work on the relevant Key Lines of Enquiry (KLOE) was being progressed by four task groups who were working on specific areas of the service. The Tenant and Leaseholder Customer Panel had put forward four tenants to work as part

of the project team and each tenant had elected to work on a task group. The self assessment work against the excellent standard in the KLOE had revealed areas where Housing needed to improve its services to be regarded as an excellent authority. These areas for improvement would form an action plan which identified the items that could be improved in the short term (quick wins) as well as longer term improvements (which would not be in place before the inspection).

The project plan outlined the key stages in the preparations and the main tasks required over the next six months. Collecting and organising the documents and evidence to be submitted to the Housing Inspectorate would be a significant task and had already begun. The project team would be benchmarking services by speaking to and/or visiting other housing organisations (including Beacon status authorities) that had undergone inspection. Mystery shopper exercises would also be undertaken. It was noted that the project team had agreed to appoint a part time project manager. £30,000 had been allocated in the Housing Revenue Account to finance the project, some of which could fund the project manager post.

**RECOMMENDED** that the preparations being undertaken for the Audit Commission housing inspection be noted.

**\*20 Audit Commission present data quality**

The Chairman welcomed Kieron Marston from the Audit Commission. Members noted the Data quality review undertaken by the Audit Commission. The findings of the review, which were that in the 2 PI's investigated namely, Non Decent Homes and Planning speed, the Council's management arrangements for data quality were found to be inadequate. They also found weaknesses in the area of corporate governance. Members expressed their disappointment at the result of the Audit Commission review.

However, it was acknowledged that the Council had taken steps to address the problems since the report had been issued. There had in particular been considerable work to give more emphasis to performance monitoring. At the recent Service Planning & Budget Task and Finish Forum, every Head of Service had been asked about Performance Monitoring and each had confirmed its importance in their service and to the officers under their management. Performance monitoring would be also be discussed at the forthcoming Middle Managers Forum. Kieron Marston confirmed that since the publishing of the report the Council had done a lot of work to improve its procedures and was now ahead of many other Councils.

**RESOLVED** that the report be noted.

**\*21 A programme of PIs for data quality checking by Internal Audit in Spring 2007**

Consideration was given to the report of the Policy Manager regarding the choice of performance indicators which should be checked by Internal Audit in Spring 2007. It also highlighted reasons why a programme of Performance Indicators was needed and listed

\*21 **A programme of PIs for data quality checking by Internal Audit in Spring 2007 (Cont)**

the programme of PIs agreed at the last meeting before summarising the progress on the review of arrangements for the collection and reporting of BVPIs by Heads of Service to date.

- RESOLVED:**
- 1) that the progress made with the review of arrangements for the collection and reporting of BVPIs by Heads of Service to date be noted;
  - 2) that final approval of the programme of Performance indicators (PIs) for data quality checking by Internal Audit in the spring of 2007 be delegated to the Deputy Chief Executive in consultation with the Chairman of the Committee.

\*22 **Exclusion of the Public**

**RESOLVED** that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out in the agenda is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

\*23 **Ombudsman report – Beach concession**

Consideration was given to the report of the Corporate Director – Economy on issues highlighted in an Ombudsman’s letter that resulted in a recommended local settlement on a complaint from a licensee who had been granted a concession by the Council.

**RESOLVED:** that the Corporate Overview Committee be requested to consider the deficiencies identified by the Ombudsman.

\*24 **Vote of thanks**

A vote of thanks was given to the Chairman Councillor A J Wilkinson on his work with the Audit & Governance Committee on what would be his last meeting. Members also wished him well for the future.

Chairman ..... Date.....