

Recommendations of the Audit and Governance TaFF adopted by the Committee on 25 September 2009

	Recommendations	Comment
1. 1.1	<p><u>Staffing</u></p> <p>That the option “to proceed with interviewing candidates for ‘trainee auditor’ and retain the existing contractor on an 18 – 24 month fixed term contract with a view to training two trainees” be the preferred option; with a review of the remaining options if the first option is unsuccessful.</p>	<p>Recommendation acted upon with the appointment of 2 trainees. The contractor at that time terminated their contract late summer 2008 and one of the trainees resigned early 2009. The contractor was replaced but not the trainee. It was recognised having 2 junior members of staff placed a heavy burden on the team with the external contractor bearing the brunt of the day to day supervision and mentoring. This was not a particularly good use of resources. In recognition of the staffing position the A&G committee revised the 2009-10 audit plan with resources being used to complete high risk audits. In addition the committee resolved to place a number of audits with an external contractor.</p>
1.2	<p>That the Auditor post be removed from the establishment to leave three grades namely, ‘trainee auditor (scale 4), senior auditor (scale 6), and principle auditor (scale 7), plus the Internal Audit and Governance Manager.</p>	<p>Noted</p>
2.	<p><u>Role of Finance Director and Independence of Internal Audit</u></p> <p>To facilitate effective internal auditing and the independence of the audit service the principles set out in section 9.26 of the Statement on the Role of the Finance director in local government, published by the Chartered Institute of Public Finance and Accountancy</p>	<p>Adopted</p>
3.	<p>The Corporate Director reviews the Financial Regulations to clarify the reporting line between the Internal Audit and Governance Manager and the Audit and Governance committee.</p>	<p>The Financial Operating Provide acknowledges the independence of the position of Internal Audit and Governance Manager. Section 3.56 provides:</p> <p>The key controls for internal audit are: (a) that it is independent in its planning and operation</p>

		<p>(b) the Internal Audit and Risk Manager has direct access to the Head of Paid Service, all levels of management and directly to elected members</p> <p>This is considered to be appropriate.</p>
4.	The Internal Audit and Governance Manager to attend 'Heads up' meetings.	<p>In 2008-09, with local government review high on the agenda, the Chief Executive enlarged his Strategic Management Team (SMT) with the inclusion of Heads of Services who had previously attended 'Heads Up'.</p> <p>Much of what is debated at SMT appears on the agenda of the forum for senior managers referred to as 'News and Views'. This meets on a regular basis, is Chaired by the Chief Executive and routinely attended by Heads of Service and Corporate Directors who will lead on many of the items. The Internal Audit and Governance Manager has attended these meetings.</p>
5.	The Internal Audit and Governance Manager to produce an Internal Audit Strategy, containing a forward signed by the Chief Executive/Chairman of the Audit and Governance Committee.	<p>Not yet actioned due to other work commitments.</p> <p>Responsible officer: T Cox</p>
6.	Once produced, the Internal Audit Strategy be circulated throughout the Council.	See above
7.	New starter packs include Internal Audit guidance documents.	<p>New starter induction packs are now held on the intranet and not in a hard copy format. This to be updated in due course with a section dedicated to the internal audit service.</p> <p>Responsible officer: T Cox</p>
8.	That the Risk Management Group consisting of the Member Champion for Risk Management; the Chairman and/or Vice Chairman of the Audit and Corporate Governance Committee; the Internal Audit and Governance Manager; and appropriate Heads of Service be reconvened;	The group has met on a number of occasions and has undertaken a review of the Corporate Risk Management Policy, Strategy and Toolkit. Attendance by Heads of Service is on a needs basis.
9.	That the risk management group be tasked with responsibility for reviewing the adequacy of the current risk register and, if	The CRM group agreed with officers that the current risk register should be replaced. As the Council already uses the Spar.net

	<p>appropriate, its replacement with one that meets the following principles</p> <ul style="list-style-type: none"> • that the corporate risk register must be updated annually when necessary and reviewed; • that individual service heads and managers must take responsibility for identifying risks within their service areas and actions required to mitigate them; • that the corporate risk register must be: <ul style="list-style-type: none"> ▪ easy to use ▪ visible ▪ a live system, to identify potential areas for action ▪ completed and updated by the relevant head of service and/or manager • that the risk register should incorporate: <ul style="list-style-type: none"> ▪ corporate risks that are common across services ▪ operational risks specifically related to a service • that the risk register must be accessible to internal audit in full • that the risk assessment on corporate level strategies should be undertaken by senior management. • audit's role is to review the risk register to ensure procedures are carried out correctly. 	<p>system it was further agreed the risk register module be utilised. It was also agreed Heads of Service would be responsible for populating and maintaining the register and that internal audit would review risks as part of system reviews. The register has been populated with corporate and operational risks. These will be amended, as appropriate.</p>
10.	<p>Following 2 above, training workshops be organised and the toolkit available for managers on assessing risks be reviewed and re-launched.</p>	<p>Heads of Service and selected members given the opportunity to attend a risk register training session.</p>
11.	<p><u>Fraud, Theft and Corruption</u></p> <p>The presentation be made to Strategic Management Team before being presented in its final form to the Audit and Corporate Governance Committee.</p>	<p>Presentation to both the SMT and members of the Audit and Governance committee (26 June 2008). The Fraud Forum has met on a number of occasions to determine the most appropriate course of action to follow in investigating matters brought to its attention.</p>

12.	<p><u>Annual Corporate Governance Statement</u></p> <p>Members agreed that the presentation should be made to the Audit and Corporate Governance Committee.</p>	Undertaken.
13.	<p><u>Other matters</u></p> <p>The adequacy and location of the office accommodation occupied by internal audit to be reviewed</p>	<p>Initially the possibility of moving staff to an Exmouth office looked like it might ease office congestion and provide an opportunity to review the location and space allocated audit. That move was put on hold once LGR became a serious issue for the Council.</p> <p>Without the prospect of freed up space elsewhere within the Knowle it did not prove possible to move the audit team without disrupting a number of other sections. As a consequence the manager was required to share an office for periods. For a period the small adjacent office was used by contract auditors. By default (resignation of trainee and maternity leave) there is currently sufficient space for the team. The position to be kept under review</p>