

Audit Committee – 20 February 2007

Minutes of the meeting of the **Audit Committee** held on **20 February 2007** when there were present:-

Chairman: Cllr P K Savill
Vice-Chairman: Cllr D G Stansby

Cllr Mrs L A Butcher
Cllr K A Gibbs
Cllr K J Gordon

Cllr T Livings
Cllr Mrs J R Lumley
Cllr S P Smith

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs J P Cottis, K H Hudson and J Thomass.

OFFICERS PRESENT

Y Woodward	-	Head of Finance, Audit & Performance Management
T Metcalf	-	Audit & Process Review Manager
A Brown	-	Payments & Income Manager
B Butler	-	Principal Auditor
J Kevany	-	Principal Auditor
J Bostock	-	Principal Committee Administrator
J O'Brien	-	Committee Administrator

41 MINUTES

The Minutes of the meeting held on 27 September 2006 were approved as a correct record and signed by the Chairman.

42 INTERNAL AUDIT PROGRESS REPORT

The Committee considered the report of the Head of Finance, Audit & Performance Management on monitoring the progress of the Internal Audit Plan for 2006/07.

In presenting the report and responding to questions, officers advised that:-

- In general, progress had been good throughout the first three quarters of the year and the plan was up to 87% completed, with six weeks of the year remaining.
- The work being carried out with PKF, the External Auditors, on the revised managed-audit requirements would improve processes, and this would be evident by the following year.
- The follow up and advisory element of the Audit Plan enabled anyone within the Council to seek advice on a range of control and performance issues. This area also covered confirmation of the

implementation of recommendations from the current and previous year.

Resolved

That the progress on the 2006/07 Audit Plan be noted. (HFAPM)

43 PROPOSED REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

The Committee considered the report of the Head of Finance, Audit and Performance Management on changes in requirements of the Accounts and Audit Regulations 2003.

Officers advised that the proposed review of the effectiveness of internal audit was an assessment of Internal Audit processes. This would identify improvement areas and would be independently reviewed by officers and Members. Guidelines included that Members could be part of the process with officers to assist with deliberations.

The Committee noted that the Essex Audit Group were to discuss this item and there would be a checklist to work through.

The Committee felt that it would be appropriate to investigate working with other authorities on the annual review. It was recognised that, notwithstanding the need to identify an appropriate partner, this would be an ideal opportunity to adopt a partnership approach. There would be merit in the Committee reviewing progress, perhaps on a six monthly basis.

Resolved

- (1) That the review of the effectiveness of the system of internal audit be carried out as outlined in this report.
- (2) That the possibility of a partnership approach to the annual review with other local authorities be investigated by officers, with further update reports to the Committee as appropriate. (HFAPM)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the public and press be excluded from the meeting for the remaining items of business on the grounds that exempt information as disclosed in Paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972 would be disclosed.

44 AUDIT REPORT

The Committee considered the exempt report of the Head of Finance, Audit and Performance Management, which drew attention to completed audit investigations and provided an update of audit recommendations.

IT – Security & Access – Report 2 – (2006/07)

The Committee recognised that the District Council had a thorough and comprehensive tracking system for its software and mechanism in place for the appropriate usage of such by all members of staff. It was recognised that there would be benefit to introducing an appropriate reporting package to produce evidence on suspected breaches of the IT Code of Practice.

Officers would be happy to demonstrate particular software to Members where it is felt this would improve overall understanding.

Cash & Banking – report 9 – (2006/07)

Officers confirmed that improvements had been seen in the timeliness in banking car park cash and we were currently receiving same day banking.

A question surrounding CCTV at Rayleigh District Council reception would be investigated by officers.

Payroll – report 10 – (2006/07)

Officers advised that the National Fraud Initiative runs checks on the District Council's payroll system against benefit claims. The Committee agreed that this was positive evidence of the audit system working and that awareness should be raised to all Members of the Council on this. Officers would look into possibilities of publicising this on the Members Bulletin, or via an alternative means of appropriate communication.

Resolved

- (1) That the conclusions and results from the audits in Appendix 1 be agreed.
- (2) That the updated information on the audit recommendations, outlined in Appendix 2, be agreed. (HFAPM)

The meeting closed at 8.11pm.

Chairman

Date

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