

DECISIONS OF THE AUDIT COMMITTEE

27 APRIL 2009

COMMITTEE:

*Councillor Jeremy Davies BA (Hons) CPFA (Chairman)
Councillor Daniel Webb (Vice-Chairman)

Councillors:

Danish Chopra * Geof Cooke
* Hugh Raynor (substituting for Councillor * Tom Davey
Marina Yannakoudakis)
* Councillor Mukesh Depala

*denotes Member present

\$ denotes Member absent on Council Business

1. MINUTES:

RESOLVED – That the decisions of the meeting held on 10 March 2009 be approved as a correct record.

2. ABSENCE OF MEMBERS:

Apologies for absence were received from Councillor Marina Yannakoudakis, Councillor Danish Chopra and Councillor Daniel Webb.

3. PUBLIC QUESTION TIME:

There were no public questions.

4. DECLARATIONS OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:

No interests were declared.

5. MEMBERS TRAINING

Members received training from Elizabeth Humphrey of Chartered Institute of Public Finance and Accountancy. The training covered the Annual Statement of Accounts. Members also received a presentation from Richard Tremeer of Grant Thornton LLP regarding the Comprehensive Area Assessment.

6. MEMBERS' ITEMS (Agenda Item 6):

There were no Members Items.

7. QUALITY OF PERFORMANCE DATA (Report of the Director of Resources and Chief Finance Officer – Item 7)

RESOLVED –

That the Committee note the ongoing work to secure data quality.

8. ANNUAL WORK PLAN OF THE CORPORATE ANTI FRAUD TEAM (Report of the Director of Corporate Governance – Item 8)

The Corporate Anti Fraud Team Manager and the Deputy Director of Corporate Governance introduced the report. The Deputy Director of Corporate Governance clarified that the last sentence on page 16 of the agenda papers should read “Testing of working arrangements/processes against risk of fraud, providing recruitment vetting, delivering Anti Money Laundering and Fraud Awareness Training”.

RESOLVED –

(1) That the proposed Code of Corporate Governance which would form a basis for the Annual Governance Statement in 2008/2009 and beyond be agreed.

(2) That the Committee note that the Code of Corporate Governance would be considered by the Special Committee (Constitution Review) for inclusion in the Council Constitution.

9. ANNUAL REVIEW OF THE AUDIT COMMITTEE’S EFFECTIVENESS (Report of the Director of Resources - Item 9)

The Acting Head of Audit and Ethical Governance introduced the report and explained that changes would be required to Appendix A on page 24 of the agenda papers specifically involving answers to two of the questions listed. The answer to the question “Is the Chair free of executive or scrutiny functions?”, would be changed from ‘partially’ to ‘substantially’. The answer to the question “Are Members sufficiently independent of other key committees of the council?” would be changed from ‘partially’ to ‘yes’. These changes were proposed to better reflect the membership.

The Chairman stated that Members also partook in training regarding Statement of Accounts on 30 June 2008 which should be included on Appendix B of the report concerning Members Training. The Chairman also stated that training received at this meeting (27 April 2009) should also be added onto Appendix B.

The Acting Head of Audit and Ethical Governance stated that record of any training provided in 2007 would be excluded from Appendix B as the documentation of Members Training was to begin no earlier than 2008.

The Chairman stated that more training is needed on Risk Management and that the Head of Risk Management to design a framework outlining a practical exercise in identifying risk management issues. This is to be brought to a future meeting of the Committee.

RESOLVED –

(1) That the changes outlined above be made to Appendix A of the report.

(2) That a framework outlining a practical exercise in identifying risk management issues be brought to a future meeting of the Audit Committee.

(3) That the changes outlined above in Appendix B be noted.

(4) That officers report back at the September 2009 meeting on the progress with the assessments skills and experiences of the members of the Audit Committee.

(5) That the Head of Internal Audit and Ethical Governance reviews the arrangements adopted by selected London boroughs to assess effectiveness of their Audit Committees and report back on the progress to the September 2009 meeting.

10. EXTERNAL AUDIT REPORTS IT CONTROLS (Report of the Director of Resources - Item 10)

The Head of Information Systems presented the report and explained that Grant Thornton LLP would monitor the issues surrounding the IT department to ensure its progression.

The Head of Information Systems stated that in paragraph 9.5 of the report, the sentence should read 'A recommendation to review the external audit report of third party suppliers has been agreed, this will be complete by the end of April 2009'. He also explained that the Council had a main server which has a backup accompanied with a copy of the backup located offsite.

The Chairman of the Committee asked the Head of Information Systems to provide an update to the Committee with regards to the progression of the review of policy for Information Systems as well as a review of the external audit report of third party suppliers.

The Committee also proposed that the Head of Information Systems investigates the security of Councillor access to the IT system from their designated laptops.

RESOLVED –

- (1) That the matters raised by the external auditor relating to IT Controls be noted.
- (2) That the officer response to the matters raised by the external auditors be noted.
- (3) That the Head of Information Systems investigate the security of Councillor access to the IT system from their designated laptops.

The meeting closed at 9.04pm