

additional papers 1

Audit & Governance

Committee

Tue 15 Nov
2011
6.00 pm

Committee Room 3
Town Hall
Redditch



www.redditchbc.gov.uk

Access to Information - Your Rights

The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Recently the Freedom of Information Act 2000, has further broadened these rights, and limited exemptions under the 1985 Act.

Your main rights are set out below:-

- Automatic right to attend all Council and Committee meetings unless the business would disclose confidential or “exempt” information.
- Automatic right to inspect agenda and public reports at least five days before the date of the meeting.
- Automatic right to inspect minutes of the Council and its Committees (or summaries of business undertaken in private) for up to six years following a meeting.
- Automatic right to inspect lists of background papers used in the preparation of public reports.
- Access, upon request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral areas of all Councillors with details of the membership of all Committees etc.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending meetings of the Council and its Committees etc.
- Access to a list specifying those powers which the Council has delegated to its Officers indicating also the titles of the Officers concerned.
- Access to a summary of the rights of the public to attend meetings of the Council and its Committees etc. and to inspect and copy documents.
- In addition, the public now has a right to be present when the Council determines “Key Decisions” unless the business would disclose confidential or “exempt” information.
- Unless otherwise stated, all items of business before the Executive Committee are Key Decisions.
- (Copies of Agenda Lists are published in advance of the meetings on the Council’s Website:
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If you have any queries on this Agenda or any of the decisions taken or wish to exercise any of the above rights of access to information, please contact

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Welcome to today's meeting.

Guidance for the Public

Agenda Papers

The **Agenda List** at the front of the Agenda summarises the issues to be discussed and is followed by the Officers' full supporting **Reports**.

Chair

The Chair is responsible for the proper conduct of the meeting. Generally to one side of the Chair is the Committee Support Officer who gives advice on the proper conduct of the meeting and ensures that the debate and the decisions are properly recorded. On the Chair's other side are the relevant Council Officers. The Councillors ("Members") of the Committee occupy the remaining seats around the table.

Running Order

Items will normally be taken in the order printed but, in particular circumstances, the Chair may agree to vary the order.

Refreshments : tea, coffee and water are normally available at meetings - please serve yourself.

Decisions

Decisions at the meeting will be taken by the **Councillors** who are the democratically elected representatives. They are advised by **Officers** who are paid professionals and do not have a vote.

Members of the Public

Members of the public may, by prior arrangement, speak at meetings of the Council or its Committees. Specific procedures exist for Appeals Hearings or for meetings involving Licence or Planning Applications. For further information on this point, please speak to the Committee Support Officer.

Special Arrangements

If you have any particular needs, please contact the Committee Support Officer.

Infra-red devices for the hearing impaired are available on request at the meeting. Other facilities may require prior arrangement.

Further Information

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Fire/ Emergency instructions

If the alarm is sounded, please leave the building by the nearest available exit – these are clearly indicated within all the Committee Rooms.

If you discover a fire, inform a member of staff or operate the nearest alarm call point (wall mounted red rectangular box). In the event of the fire alarm sounding, leave the building immediately following the fire exit signs. Officers have been appointed with responsibility to ensure that all visitors are escorted from the building.

Do Not stop to collect personal belongings.

Do Not use lifts.

Do Not re-enter the building until told to do so.

The emergency Assembly Area is on Walter Stranz Square.

Declaration of Interests: Guidance for Councillors

DO I HAVE A "PERSONAL INTEREST" ?

- Where the item relates or is likely to affect your **registered interests** (what you have declared on the formal Register of Interests)

OR

- Where a decision in relation to the item might reasonably be regarded as affecting **your own** well-being or financial position, or that of your **family**, or your **close associates** more than most other people affected by the issue,

you have a personal interest.

WHAT MUST I DO? **Declare the existence, and nature, of your interest and stay**

- The declaration must relate to specific business being decided - a general scattergun approach is not needed
- **Exception** - where interest arises only because of your membership of another **public body**, there is no need to declare unless you **speak** on the matter.
- You **can vote** on the matter.

IS IT A "PREJUDICIAL INTEREST" ?

In general only if:-

- It is a personal interest **and**
- The item affects your **financial position** (or conveys other benefits), or the position of your **family, close associates** or bodies through which you have a **registered interest** (or relates to the exercise of **regulatory functions** in relation to these groups)

and

- A member of public, with knowledge of the relevant facts, would reasonably believe the interest was likely to **prejudice** your judgement of the public interest.

WHAT MUST I DO? **Declare and Withdraw**

BUT you may make representations to the meeting before withdrawing, **if** the public have similar rights (such as the right to speak at Planning Committee).



Audit and Governance Committee

15th November 2011

6.00PM

Committee Room 3 Town Hall

Agenda

Membership:

Cllrs:	Bill Hartnett (Chair)	Malcolm Hall
	Rebecca Blake (Vice-Chair)	William Norton
	Peter Anderson	Luke Stephens
	Michael Braley	
	Andrew Brazier	

4. Internal Audit - Update on Delivery against 2011/12 Plan

(Pages 7 - 12)

Worcestershire Internal Audit Shared Service Manager

To consider a report on the use of resources in relation to Internal Audit.

(Report attached)

(No Specific Ward Relevance);

AUDIT & GOVERNANCE COMMITTEE

15th November 2011

INTERNAL AUDIT – UPDATE ON DELIVERY AGAINST 2011/12 PLAN

Relevant Portfolio Holder	Councillor Michael Braley
Portfolio Holder Consulted	No
Relevant Head of Service	Jayne Pickering, Executive Director (Finance and Corporate Resources)
Wards Affected	All Wards
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To respond to Members' request to provide:

- an update on delivery against the 2011/12 Internal Audit Plan as at 30 October 2011; and
- an update on the actions that Internal Audit have taken to ensure that management and those charged with governance are provided with the required coverage and assurances over the system of internal control for 2011/12

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that the report be noted.

3. BACKGROUND

The Council is required under Regulation 6 of the Accounts and Audit Regulations 2003 (as amended 2006) to "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".

4. KEY ISSUES

Performance against 2011/12 Plan as at 30 October 2011

- 4.1 This section of the report provides commentary on Internal Audit's performance for the period 1 April 2011 to 30 October 2011 against the performance indicators agreed for the service for 2011/12.
- 4.2 The tables in Appendices 1 and 2 show that significant progress has been made since 31 July 2011 towards delivering the Internal Audit Plan and achieving the targets set for the year. Chargeability and productivity have increased significantly from 17% to 55% and 33% to 48% respectively. As at 30 October 2011 a total of 191 chargeable days had been delivered against a target of 479 days for 2011/12.

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Actions taken to accelerate delivery against the 2011/12 Plan

- 4.3 The Service Manager for Worcestershire Internal Audit Shared Service has taken the following steps to ensure that delivery against the 2011/12 Plan is such that management, external audit and members are provided with the assurances that they require over the system of internal control and for the Annual Governance Statement and Statement of Accounts:
- The Service Manager has met with the authority's Section 151 officer to discuss progress against the plan and the actions being taken to assist with the delivery of the plan;
 - Additional resource has been recruited to the team and resource within the team has been managed robustly in order to accelerate the delivery against the plan and ensure that the service remains effective;
 - The Service Manager is rigorously monitoring delivery against the Plan to ensure that performance and delivery continue to improve and that risk is managed effectively; and
 - The Service Manager is proactively and rigorously monitoring and managing absenteeism across the service.
- 4.4 The Service Manager for the Worcestershire Internal Audit Shared Service is confident that, having taken the actions noted above, she will be able to provide the required coverage for the year over the authority's core financial systems, work on which is historically undertaken in the third and fourth quarters of the year, as well as over other systems which have been deemed to be high and medium risk by Internal Audit and / or the authority's section 151 officer.

Conclusion on delivery against the 2011/12 Plan

- 4.5 The Shared Service Manager is confident that, by continuing to take and having taken the actions noted in paragraph 4.3, risk is being managed appropriately. Delivery against the Plan for 2011/12 will continue to accelerate and be such that management, external audit and members are provided with the assurances that they require over the system of internal control and for the Annual Governance Statement and Statement of Accounts.

5. OTHER IMPLICATIONS**Financial Implications**

- 5.1 There are no direct financial implications arising out of this report.

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Legal Implications

- 5.2 The Accounts and Audit (Amendment) (England) Regulations 2006 state that Local Authorities must maintain an adequate and effective system of Internal Audit to ensure its systems of internal control are operating effectively. This report is one way the Council can monitor its Internal Audit Service.

Service/Operational Implications

- 5.3 There are no direct operational implications arising out of this report.

Customer / Equalities and Diversity Implications

- 5.4 There are no implications arising out of this report.

6. RISK MANAGEMENT

- 6.1 The main risks associated with the details included in this report are:

- Failure to complete the planned programme of audit work within the financial year; and
- The continuous provision of an internal audit service is not maintained.

- 6.2 These risks are being managed via the 4Risk risk management system within the Finance and Resources risk area. The Service Manager for the Worcestershire Internal Audit Shared Service is confident that, as stated at paragraph 4.5, these risks are being managed appropriately to ensure that such that management, external audit and members are provided with the assurances that they require over the system of internal control and for the Annual Governance Statement and Statement of Accounts.

7. APPENDICES

Appendix 1 Delivery against Internal Audit Plan for 2011/12 as at 30 October 2011

Appendix 2 Performance against Key Performance Indicators for 2011/12 at 30 October 2011

8. BACKGROUND PAPERS

None.

**AUDIT & GOVERNANCE
COMMITTEE**

15th November 2011

AUTHOR OF REPORT

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**AUDIT & GOVERNANCE
COMMITTEE**15th November 2011**APPENDIX 1****Delivery against Internal Audit Plan for 2011/12 as at 30 October 2011**

Audit Area	DAYS USED TO 30/10/11	2011/12 PLANNED DAYS
Core Financial Systems (Note 1)	0	116
Corporate Audits	5	43
Other Systems Audits	162	267
TOTAL PRODUCTIVE	167	426
Audit Management Meetings	3	23
Corporate Meetings / Reading	0	9
Annual Plans and Reports	2	12
Audit Committee support	11	9
Other chargeable	8	0
TOTAL CHARGEABLE	191	479
Annual leave	55	75
Statutory leave	19	23
Sickness	17	21
Other leave	10	5
Training	7	16
General administration	26	32
General management	12	12
Attendance at general meetings	8	8
WIASS projects	4	4
TOTAL	349	675

Note 1

Core Financial Systems are audited in quarters 3 and 4 in order to maximise the assurance provided for Annual Governance Statement and Statement of Accounts.

**AUDIT & GOVERNANCE
COMMITTEE**15th November 2011**APPENDIX 2****Performance against Key Performance Indicators as at 30 October 2011**

	KPI	As at 31st July 2011	As at 30th October 2011	Target	Frequency of monitoring	Frequency of reporting
1	Chargeability %	17%	55%	71%	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
2	Productivity %	35%	48%	63%	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
3	% Plan delivered excluding overruns	12%	29%	95% for year	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
4	Overruns as a % of time spent	35%	25%	5%	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
5	Customer satisfaction surveys	100%	100%	95% Good or above	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
6	Number of audits delivered compared to plan	N/a (Annual)	N/a (Annual)	41	Annually by WIASS management	Annually to Client Officer Group and Audit Committee
7	Annual survey of Internal Audit Service	N/a (Annual)	N/a (Annual)	Good or above	Annually by WIASS management	Annually to Client Officer Group and Audit Committee

The Internal Audit Self-Assessment checklist assessing compliance with the CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 will also be completed at the end of the annual cycle. Any areas of partial or non-compliance with the Code will be reported as exceptions to the Client Officer Group and Audit Committee.