

## **Audit Committee**

**Friday 23 July 2010**

### **PRESENT:**

Councillor Berrow, in the Chair.  
Councillor Evans, Vice-Chair.  
Councillors Murphy, Stark and Thompson.

Independent Members: Mr. Clarke and Mr. Stewart.

Apologies for absence: Ms. Myles, Independent Member.

Also in attendance: Tim Howes, Assistant Director for Governance and Democracy, Karen Ward, Superintendent Registrar, Paula Powell, General Register Office, Mike Hocking, Head of Corporate Risk and Insurance, Julie Hoskin, Risk Management and Insurance, Sue Watts, Assistant Head of Devon Audit Partnership, Sandra Wilson, Assistant Head of Finance (Corporate Accountancy), and Leslie Whitworth, Audit Manager, Grant Thornton.

The meeting started at 10.00 a.m. and finished at 12.05 p.m.

*Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.*

### 21. **DECLARATIONS OF INTEREST**

The following declaration of interest was made in accordance with the members' code of conduct –

<b>Name</b>	<b>Minute No.</b>	<b>Reason</b>	<b>Interest</b>
Councillor Thompson	26 – Operational Risk Management Update	School Governor	Personal

### 22. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

### 23. **INDEPENDENT MEMBERS**

Agreed to confirm Mr. Clarke, Ms. Myles and Mr. Stewart as Independent Members of the Audit Committee for the municipal year 2010/2011.

### 24. **REGISTRATION SERVICE - SERVICE DELIVERY REVIEW**

The Assistant Director for Governance and Democracy, the City's Superintendent Registrar and a representative from the General Register Office were in attendance to

present the results of the service delivery review undertaken in February 2010. In summary, the report -

- (a) advised that the overall assessment of the service was good, out of a potential rating of excellent, good, fair or weak;
- (b) highlighted the key strengths and innovations of the service;
- (c) commented on progress made against areas identified for improvement at the last review which was undertaken in July 2007;
- (d) set out the key recommendations arising from this review and advised that an action plan had been created to address those recommendations.

In response to questions raised, the Committee was advised that –

- (e) there was a telephone immediately outside of the Register Office for public use and customers could also use the office phone, if necessary;
- (f) although a draft action plan had been prepared, it had not yet been shared with the General Register Office. The Inspector would look at this as part of the review in six months' time;
- (g) the statutory duty to register deaths within 5 days was difficult to achieve nationally. Non-compliance in Plymouth was being monitored to try to establish what the particular problems were;
- (h) whilst there were arrangements in place with local funeral directors to contact a Registrar when the office was closed, it was hoped that the Register Office telephones would be linked in to the Council's out of hours service within the next 12 months. However, should this not come to fruition a back up plan was in place;
- (i) the Registration Service in Plymouth was a pilot for the Tell Us Once scheme, the commencement of which had been temporarily delayed following the recent change in government;
- (j) it was possible that the Good Practice Guide may be reviewed as a result of the change in government and it was not known how performance would be measured in future.

The Committee welcomed the report and asked that its congratulations and thanks be passed back to the Register Officer staff at achieving a 'good' inspection result.

Agreed that a copy of the draft action plan be circulated to Committee members for their information.

25. **RISK MANAGEMENT - ANNUAL REPORT**

The Director for Corporate Support submitted the Risk Management Annual Report. In attendance was the Head of Corporate Risk and Insurance who advised that the report –

- (a) summarised the work carried out during 2009/10 to develop the Council's approach to risk management and covered –
- Corporate and Operational Risk Management Groups
  - Risk Registers
  - Performance Management and Business Planning
  - Benchmarking
  - Statement on Internal Control/Annual Governance Statement
  - Use of Resources Assessment
  - Risk Management and the Competency Framework
  - Partnerships Governance
  - Intranet Risk Management Guidance
- (b) provided information on the focus of proposed risk management activity for the next 12 months.

In response to questions raised, the Committee was advised that –

- (c) the maximum level of funding available to projects from the Risk Management Fund was £7,500;
- (d) in order to be considered projects had to meet a set criteria and fall within the Risk Management Fund's terms of reference, they were then looked at in order of priority. Bids for projects arising as a result of a department's failure to use its maintenance and repair budget appropriately would be rejected and that department would be expected to track that risk through its service planning and risk registers;
- (e) the Risk Management Fund was currently £50,000 per annum, however, there had been a carry over of £13,000 from the previous year.

The Committee noted the report with thanks.

Agreed that –

- (1) the next annual report would include an overall expenditure total;
- (2) an explanation relating to the installation of a stairlift at Stirling House would be circulated, via the Democratic Support Officer, following the meeting.

26. **OPERATIONAL RISK MANAGEMENT UPDATE**

The Director for Corporate Support submitted an update in respect of Operational Risk Management. In attendance was the Head of Corporate Risk and Insurance who advised that the report –

- (a) outlined the continuing progress being made across services in delivering Operational Risk Registers;
- (b) highlighted that there were now a total of 115 operational risks, comprising one high (red) risk, 68 medium (amber) risks and 46 low (green) risks;
- (c) included a commentary on the high risk areas and provided details of any control actions/mitigation in place.

In response to questions raised, the Committee was advised that –

- (d) the risk to children from traffic whilst arriving at and leaving school should have been picked up by the department and included on the register;
- (e) a breakdown on the number of risks coming on to and off the register over the last six months would be circulated to members for their information and a more detailed and meaningful table of risk would be included within the next report.

Agreed that –

- (1) the current approach to risk management be endorsed;
- (2) a position statement on the risk to children from traffic whilst arriving at and leaving school be included in the next update to Committee.

Recommended that –

- (3) the Overview and Scrutiny Management Board refer the red risk item regarding the 'inability of Carefirst to meet business requirements in terms of changes to service provision' to the Children and Young People's Overview and Scrutiny Panel.

(Councillor Thompson declared a personal interest in respect of the above item).

## 27. **EXTERNAL AUDIT - PERFORMANCE MANAGEMENT ARRANGEMENTS**

The Council's external auditor, Grant Thornton, submitted a report commenting on Plymouth City Council's performance management and reporting arrangements. A number of areas for improvement had been identified and an action plan created to monitor progress against each of the report's recommendations.

Members expressed a number of concerns relating to this report, namely –

- that the action plan failed to identify the responsible officer against all but two of the recommendations and failed to identify any of the proposed implementation dates
- that Grant Thornton had not readily been able to find 2009/10 bi-monthly performance reports

- the change in frequency of the joint finance and performance monitoring reports from bi-monthly to quarterly
- effectiveness of e-perform

Members were advised that formal reporting of the joint finance and performance monitoring report would now take place on a quarterly basis in order to release resources. Detailed scorecards would, however, be submitted to Corporate Management Team on a monthly basis and the next comprehensive joint report would be submitted to Cabinet in August.

Agreed that consideration of the report be deferred to the next meeting when the action plan would be more fully completed to include details of responsible officers, details of progress made and implementation dates.

28. **EXTERNAL AUDIT - REVIEW OF ARRANGEMENTS FOR COMPLYING WITH AGE RELATED EQUALITIES LEGISLATION**

The Council's External Auditor, Grant Thornton, submitted the results of a review which had been undertaken to establish –

- what local arrangements had been put in place to conform to the Age Related Equalities Legislation
- how the City Council had sought to minimise any associated risk
- that appropriate internal control arrangements were in place

Concern was expressed at whether the policy was being applied consistently across the authority.

Agreed that, in the absence of an appropriate representative being in attendance from HR, consideration of the report be deferred to the next meeting.

29. **REVIEW OF WHISTLEBLOWING POLICY**

The Assistant Head of Devon Audit Partnership submitted the Updated Whistleblowing Policy, advising that the document had undergone a slight refresh only and had not incurred any major or significant changes.

In response to questions raised, the Committee heard that –

- (a) details of the number of whistleblowing cases investigated during the year had been provided both in the six-month audit progress report and in the annual report;
- (b) there had been a substantial publicity campaign but the number of reported whistleblowing events remained low.

A number of questions were raised in regard to –

- how aware staff were of the whistleblowing policy
- whether staff felt confident to use the whistleblowing policy

- how satisfied staff were with the result having used the whistleblowing policy

In order to try and address those questions, the Assistant Head of Devon Audit Partnership reported that she would give consideration to how this information could be obtained and bring a proposal back to a future meeting of the Committee.

Agreed the revised Whistleblowing Policy.

30. **DEVON AUDIT PARTNERSHIP - PLYMOUTH'S INTERNAL AUDIT STRATEGY AND CHARTER**

The Assistant Head of Devon Audit Partnership submitted Plymouth's Internal Audit Strategy and Charter. Members were advised that the revised strategy and charter had recently been adopted by Devon and Torbay.

Agreed the revised Internal Audit Strategy and Internal Audit Charter.

31. **EXEMPT BUSINESS**

There were no items of exempt business.