



MINUTES

AUDIT COMMITTEE

4.30 p.m. – 5.45 p.m.

26 March 2009

Present: Councillors Stephenson (in the Chair for the meeting),
Brociek-Coulton, Divers, George and Makoff

Apologies: Councillors Driver and S Little

1. APPOINTMENT OF CHAIR FOR THE MEETING

RESOLVED, in the absence of the Chair and Vice Chair, to appoint Councillor Stephenson as Chair for the meeting.

2. MINUTES

RESOLVED to agree the accuracy of the minutes of the meeting held on 29 January 2009.

3. STRATEGIC RISK MANAGEMENT REVIEW

The Head of Finance presented the report and explained the background to the risk management process. The Acting Audit Manager circulated copies of the Risk Management Toolkit for Members from the recent training session.

The Deputy Chief Executive Officer then answered a number of questions about the process for identifying risks. The risks were in terms of the Council being able to deliver its services and were determined by CMT and Heads of Service. Other staff were engaged through the risk assessments included within Service Plans and Team Plans. She also explained the table showing how risks were assessed taking into account the probability of the risk occurring against the likely consequences. This was not however an exact science.

A member expressed concern that the report did not indicate how risks identified for the previous year had been tackled. The Deputy Chief Executive Officer said that a report would be submitted to the June or September meeting of this Committee. One of the improvements in risk management was the formal recording of mitigation measures.

The Committee then went through the individual risks included in the register. The Deputy Chief Executive Officer explained why risks 4, 5, 6 and 7 had been downgraded in terms of likelihood. She referred to the considerable work done on the management of the CityCare and Steria contracts. Work had also been undertaken to improve skill sets within the Council. Whilst the Council would look for improved value for money in the new CityCare contract, there were restrictions in terms of the level of resource available.

A member referred to risk 9 in terms of partnership work and the ability of the Council to recognise the objectives of partner organisations and co-ordinate managements. The Deputy Chief Executive Officer referred to the different risk management process for partnerships. These risks would normally be identified at Service Plan level.

The Deputy Chief Executive Officer said that risk 11 related to the risk that the GNDP did not obtain sufficient funding to put the infrastructure in place.

A member queried whether risk 12 related to the risk of not having an effective environmental strategy or the environmental consequences of not having an environmental strategy. The Deputy Chief Executive Officer said she understood that the risk related to the delivery of the environmental strategy. She would however review the clarity of the information provided in the risk register.

The Deputy Chief Executive Officer explained that risk 14 had been removed from the register pending a decision on Unitary. All planning assumptions had been based on this Council continuing. The position would be reviewed when the decision on Unitary had been made.

The Deputy Chief Executive Officer said that risk 16 related to the impact of the recession on the Council. The Chair suggested that the risk should be renamed to something like 'Financial standing of the Council' to clarify the position.

In reply to a question, the Deputy Chief Executive Officer explained why the impact of risk 21 was only shown as 3. The risk related to the management of the housing stock across the board and the risk would need to affect a large proportion of these properties to have a significant impact.

In terms of risk 18, the Deputy Chief Executive Officer said that the Council was very close to implementing single status. Unison had, however, recently been challenged on equal pay issues which had increased the risk to the Union in terms of signing up to an agreement in Norwich.

The Chair suggested that it might be appropriate to add the risk of Peak Oil to the risk register. There was a strong likelihood that the risk would occur and investment now could provide protection in a few years time. The Deputy Chief Executive Officer undertook to review the issue although she was not sure whether it would be considered a strategic risk at this stage. Some mitigation measures would be included in the environmental strategy.

The Deputy Chief Executive Officer said that she did not anticipate any ongoing risks as a result of the Greyhound Opening enquiry. She referred to action already taken

in response to the report of the Monitoring Officer and the Watson Report in terms of reducing the risk of any reoccurrence.

RESOLVED to –

- (1) note the report and agree the outline timetable for reviewing the Council's risk management processes;
- (2) ask the officers to –
 - (a) consider the possibility of improving the clarification of risk 12 on the environmental strategy;
 - (b) review the possibility of amending the title of risk 16 to 'Financial standing of the Council';
 - (c) consider the possibility of including Peak Oil on the strategic risk register.

4. PROGRESS ON ANNUAL GOVERNANCE STATEMENT

The Head of Finance presented the report and explained that this was intended to give members an early indication of the content of the Annual Governance Statement for 2008/09 and the supporting evidence. He anticipated that the Annual Governance Statement would be submitted to the Audit Committee for final approval in June.

The Acting Audit Manager explained the format of the evidence for the Annual Governance Statement. The evidence would be judged by both this Committee and the Audit Commission.

A member queried whether it might be possible to include something relating to formalising the process of management in the section on strategic risk management. The Deputy Chief Executive Officer undertook to review the position.

RESOLVED to –

- (1) note the report;
- (2) ask individual members to email any questions/comments to either the Head of Finance (barrymarshall@norwich.gov.uk) or the Acting Audit Manager (stevedowson@norwich.gov.uk).

5. DRAFT INTERNAL AUDIT PLAN 2009/10

The Acting Audit Manager presented the report and referred to the draft Audit Plan for 2009/10. He explained that this had been re-formatted to show the resources allocated to audit work separately to those allocated to non audit and consultancy type work.

He answered questions about the basis on which the draft Audit Plan had been prepared. He explained that provision for his time in managing this section and time

spent in attending team meetings etc were included in the allocation for management/administration. He would, however, let members have a copy of the Resource Plan.

RESOLVED to –

- (1) note the draft Internal Audit Plan for 2009/10;
- (2) ask the Acting Audit Manager to circulate copies of the Resource Plan to members of the Committee.

CHAIR