

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

RESOURCES AND PERFORMANCE PANEL – AUDIT AND RISK COMMITTEE

**Minutes of a Meeting of the Resources and Performance Panel
held on Tuesday 26 February 2013, at 6.00 pm, in The Committee Suite,
King's Court, Chapel Street, King's Lynn.**

PRESENT:

Councillors P Beal (Chairman),
J Collop, Mrs S Collop, C J Crofts, T de Winton,
H Humphrey, J Loveless, C Manning (Vice-Chairman),
J Moriarty (*substitute for Councillor D J Collis*), D Tyler, A White and A Wright

Portfolio Holder:

Councillor N Daubney, Leader and Portfolio Holder for Corporate/Strategic
Issues and Resources

Apologies for absence were received from Councillors D J Collis, M Langwade
and A Morrison

ARC67: **MINUTES**

The Minutes of the Resources and Performance Panel – Audit and Risk
Committee meeting held on 27 November 2012 were confirmed as a correct
record and signed by the Chairman.

ARC68: **DECLARATIONS OF INTEREST**

There were none.

ARC69: **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business to report.

ARC70: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

ARC71: **CHAIRMAN'S CORRESPONDENCE**

The Chairman had no correspondence to report.

ARC72: **MATTERS REFERRED TO THE PANEL FROM OTHER COUNCIL BODIES AND RESPONSES MADE TO PREVIOUS PANEL RECOMMENDATIONS/ REQUESTS**

There were none.

ARC73: **INTERNAL AUDIT PLAN 2012/13 – PROGRESS REPORT FOR THE QUARTER OCTOBER TO DECEMBER 2012**

In presenting the report, the Audit Manager outlined the work on-going and the other work carried out in the quarter October to December 2012 and advised that 30 reports had been issued between October and December 2012, all of which were available to view on InSite.

The Committee's attention was drawn to the following sections of the report.

Section 2.4 Internal Audit undertook an investigation into stock deficits at the Corn Exchange bar. A report had now been issued, but the investigation was unable to establish how the deficit arose. The Audit Manager explained that it appeared that the reason was related to the coding of the cash registers. The situation would therefore be monitored closely.

Further work was also completed on examining Members' expenses. This was in addition to the work carried out as part of the payroll audit and had been prompted by an issue raised during the previous payroll audit and the on-going interest in Members' expenses in the media.

The Committee was advised that as reported verbally during the last progress report, the Audit Manager had decided to put audits of Council tax and NNDR, and Benefits on hold for this plan.

This decision was taken after discussion with the Executive Director, Finance and Resources, and the Revenues and Benefits Manager. The implementation of the shared service with North Norfolk and the subsequent stresses of learning a new system and dealing with issues arising from the data conversion from Northgate to Civica whilst continuing to deliver an acceptable level of service, meant that it was not practical or useful for an internal audit to be carried out effectively. The process of converting one system to another had been closely monitored.

It was explained that it was intended to include some additional time in next year's plan to carry out a familiarisation exercise early in the audit year to learn how the new Civica software and processes worked and to identify any potential weaknesses.

In response to questions from Councillor White relating to the stock deficit at the Corn Exchange, the Audit Manager explained that it appeared that there were substantial sums not allocated for when a quarterly stock check had been undertaken. However, it looked to be a paper deficit rather than loss of stock. The situation would be closely monitored and measures were being put in place to address the problem, which could also include the installation of CCTV in the bar area.

In response to questions from Councillor Moriarty on Members' expenses, the Leader explained that if a Councillor wished to claim a subsistence allowance a receipt would need to be submitted. Attendances at meetings were checked against all claim forms. The Audit Manager added that all claim forms were published on the Council's website and a robust checking process was carried out. The distance of each journey was checked against the AA route planner.

Councillor Humphrey commented on the number of recommendations (14) relating to the Business Continuity including ICT Disaster recovery and stated that in his view Full Assurance should have been given. In response, the Audit Manager explained that the recommendations were not cumulative and therefore not seen as vital or critical. The main contact details had been included, it had been a tidying up exercise of the plan.

In response to questions from Councillor de Winton relating to the Procurement audit, the Audit Manager explained that the audit examined the processes rather than effectiveness and that the Strategic Audit Plan next year would look at the procurement strategy level. The Chief Executive added that in relation to the Procurement exercise, the specification was now ready to go out to advert week commencing 4 March 2013.

Councillor de Winton referred to the Car Leasing and the follow up progress being reported as poor which he found to be disappointing. In response, the Audit Manager explained that at the time of the follow-up audit none of the recommendations had been actioned. She explained that the low level recommendations were defined as "nice to have" if time and resources were available. A review date had now been scheduled.

Regarding Car Leasing, the Chief Executive explained that there were a small number of employees currently in the scheme and all documentation had now been updated.

Following further questions from Councillor de Winton on the Corporate Scanning Unit, the Audit Manager explained that the role of the Scanning Unit was to scan in paper documents to enable them to be stored electronically and to dispose of the paper copies. In the longer term this would then reduce the amount of paper currently archived both within the Council and at its off-site storage facility.

The Chief Executive explained that there was an enormous amount of documents currently being back scanned by the Corporate Scanning Unit. The Revenues and Benefits and Planning Service Areas are currently being routinely scanned and the team are now adding service areas with lower volumes of incoming paper documents as the service is being rolled out on a wider basis throughout the authority. A significant amount of time was spent on back scanning of documents held at King's Court. The reduction of paper files would create additional space.

Councillor C J Crofts asked if the Council was legally obliged to keep paper copies or were electronic copies acceptable. The Audit Manager confirmed that Courts would accept electronic files.

RESOLVED: The Committee approved the report on the Internal Audit work plan for October to December 2012.

ARC74: **COMMITTEE WORK PROGRAMME**

The Committee considered its Work Programme.

RESOLVED: That the Committee's Work Programme be noted.

ARC75: **DATE OF NEXT MEETING**

Committee Members noted that the next meeting of the Resources and Performance Panel – Audit and Risk Committee was scheduled to take place on **Tuesday 27 March 2013**.

The meeting closed at 6.19 pm