

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 – Audit and Risk Committee held on Tuesday 27 August 2013, at 5.30 pm, in the Committee Suite, King's Court, Chapel Street, King's Lynn

PRESENT:

Councillors P Beal (Chairman)
J Collop, P Cousins, M Hopkins, J Loveless, M Langwade,
C Manning (Vice-Chairman), A Morrison, Mrs S Smeaton (*substitute for Councillor de Winton*),
D Tyler, G Wareham and A Wright

Apologies for absence were received from Councillors N Daubney – Leader and Portfolio Holder for Corporate/Strategic Issues and Resources, H Humphrey and T de Winton

Councillors attending for ARC 40:

Councillors M Chenery of Horsburgh, C J Crofts, A M Lovett, C Sampson, Mrs S Young

Observing for remainder of Meeting:

Councillors M Chenery of Horsburgh, C Sampson, Mrs S Young

ARC34: **MINUTES**

The Minutes of the Resources and Performance Panel – Audit and Risk Committee meeting held on 23 July 2013 were confirmed as a correct record and signed by the Chairman.

ARC35: **DECLARATIONS OF INTEREST**

There were none.

ARC36: **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business to report.

ARC37: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

ARC38: **CHAIRMAN'S CORRESPONDENCE**

The Chairman had no correspondence to report.

ARC39: **MATTERS REFERRED TO THE COMMITTEE FROM OTHER COUNCIL BODIES AND RESPONSES MADE TO PREVIOUS COMMITTEE RECOMMENDATIONS/REQUESTS**

There were none.

ARC40: **ANNUAL GOVERNANCE STATEMENT**

Members received a presentation from the Performance and Efficiency Manager which included the following areas:

- What is Governance?
- What is the Annual Governance Statement?
- Why the Annual Governance Statement is produced?
- Who produces the Annual Governance Statement?
- How the Annual Governance Statement is produced?
- When is the Annual Governance Statement produced?
- Role of the Audit and Risk Committee.
- Relevance to all elected Members.

A copy of the presentation was circulated to Members for future reference and information purposes.

Members were invited to comment/ask questions, a summary of which is set out below.

Councillor C J Crofts asked for an explanation of the acronyms CIPFA and SOLACE. The Performance and Efficiency Manager advised the CIPFA was the Chartered Institute of Public Finance and Accountancy and SOLACE was the Society for Local Authority Chief Executives.

In response to a comment from Councillor Chenery of Horsbrugh as to why and how governance was introduced, the Performance and Efficiency Manager explained that governance had evolved from the private sector and had then been introduced by the public sector.

The Chairman, Councillor Beal thanked the Performance and Efficiency Manager for an informative and useful presentation.

RESOLVED: That the content of the presentation be noted.

ARC41: **CABINET REPORT – UPDATED TERMS OF REFERENCE FOR THE AUDIT AND RISK COMMITTEE**

In presenting the report, the Audit Manager explained that in accordance with

the Accounts and Audit Regulations, the Audit and Risk Committee was established in 2006, with Terms of Reference drawn up in line with the guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The Terms of Reference needed to be reviewed every three years and presented to Council for approval.

Members were reminded that the last review took place in 2010 with the current Terms of Reference being approved at the Council meeting on 30 September 2010.

The Audit Manager explained that the main change provided for the Committee to meet in private with the internal and external auditors (paragraph 5.3). Members were advised that if the Committee wished to meet with the External Auditors it would be appropriate to do so when the External Auditors were to attend for their planned meetings. A cost would be incurred by the Council if the External Auditors were asked to attend in addition to the scheduled meetings.

The Audit Manager advised that the whole Committee would meet with the External Auditors if required and that it would not be on a one to one basis.

Other minor changes had been made to update relevant legislation dates and expanded the range of activities in paragraph 3.1 (f) to more accurately reflect those covered by the Committee.

In conclusion, the Committee was informed that a new review date of May 2016 had been set.

Councillor Mrs Smeaton asked the Audit Manager to give an example of when it would be necessary for Members to request a private meeting with the External Auditors. In response, the Audit Manager explained that there were no occasions in the past when a private meeting had been requested. She further explained that a private meeting could be requested if the Committee wished to raise any issues with the External Auditor such as the way in which officers were undertaking their duties, or the process and method in which the External Auditors carried out their work within the Council.

The Audit Manager advised that it was a common provision within the Committee's Terms of Reference to have the opportunity for a private meeting with the External Auditors. She advised that the College of West Anglia and Freebridge Community Housing had such a provision in their Terms of Reference.

Councillor Collop commented that he had raised the question of the Committee having an opportunity to meet in private with the External Auditors approximately two years ago. He added that Councillors were responsible for the audit and its content and that such a provision within the Terms of Reference provided a safeguard for Members.

RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendations as set out in the report to Cabinet.

ARC42: **CABINET REPORT: BUSINESS CONTINUITY MANAGEMENT POLICY STATEMENT AND STRATEGY**

In presenting the report, the District Emergency Planning Officer explained that the Council's Policy Statement on Business Continuity Management was agreed by full Council in November 2011; the Policy Statement had been updated to reflect the changes to the Council's Management structure with effect from April 2013.

The District Emergency Planning Officer outlined the main changes to the document as set out below:

- Removing reference to the Executive Director, Environmental Health and Housing from the Policy Statement.
- Updating section 7 with progress made/activities undertaken since November 2011.
- Updating list of Critical Activities in Appendix A.

The District Emergency Planning Officer explained that the Corporate Officer Group would review the document regularly to ensure it remained fit for purpose and relevant. It was therefore proposed that delegated authority be granted to the Deputy Chief Executive, in consultation with the Leader, as Portfolio Holder for Business Continuity, to make minor changes if deemed necessary.

The Committee was advised that whilst updating the Policy Statement, the whole document, including progress made against the Council's strategy and the approach had been refreshed.

Councillor Langwade asked for clarification of the definition "minor changes". In response, the District Emergency Planning Officer gave an example of removing/updating any officer changes within the authority.

RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendations as set out in the report to Cabinet.

ARC43: **BUSINESS CONTINUITY – ANNUAL UPDATE**

The District Emergency Planning Officer explained that the report provided an update to the Committee on the current position of the Council's Business Continuity arrangements and outlined the work that was to be undertaken over the coming months.

Members were informed that Business Continuity Management in the authority

was based around a framework of documents as set out in section 1.2 of the report.

The responsible officer for Business Continuity in the Council was the Deputy Chief Executive. He was assisted by a small group of officers from across the authority – the Business Continuity Corporate Officer Group (BC COG). Implementing Business Continuity was the responsibility of the Council's Management Team. However, all members of staff had a responsibility to be aware of the plans that affected their service area and their role following invocation of any Business Continuity plan. The Council currently had a policy position adopted in 2011.

The progress since the last report in October 2011 was outlined as detailed at section 2.1 of the report.

The District Emergency Planning Officer drew the Panel's attention to section 3 – Current position and advised of the critical activities that protected life and safety, or were considered essential to support such activity and were considered critical to restore and deliver in the event of a disruption or emergency.

In response to questions from Councillor Cousins relating to the role of Councillors when an incident occurred, the District Emergency Planning Officer explained that there were two elements of emergency planning incidents. When a civil emergency incident happened within the locality, Councillors would have a "on the ground" role. The importance of communication was highlighted and in the case of the loss of ICT, the Council would rely heavily upon the local media and other partners within the Resilience Forum to establish a communications network.

Councillor Cousins suggested that a training session be held for Members on Business Continuity/Emergency Planning to ensure all Members were made aware of their role should such an incident occur.

In response to comments and questions from the Chairman, Councillor Beal as to what the procedure would be if a bomb scare at King's Court, The Town Hall and the Corn Exchange were to occur, the District Emergency Planning Officer advised that the Business Continuity Plan would come into force which would be run by the Council's Management Team. The situation would be assessed. Aide memoires to assist responses were available via the threat cards and in the scenario where King's Court was lost; a separate control room was available at Hunstanton. Some Customer Information Centre staff were homeworkers and so the Council would not necessarily lose all functionality of receiving calls during office hours.

The District Emergency Planning Officer explained that an offsite portal system independent to the Council's corporate ICT system was being investigated which would allow Members and the public to access information via an alternative server, but which would provide a similar service to what was being delivered at present.

The Chairman, Councillor Beal thanked the District Emergency Planning Officer for the update.

RESOLVED: (1) The Committee noted the progress made, endorsed the approach being taken to the Council's Business Continuity arrangements and determined that annual updates on the subject were provided to the Committee.

(2) A Training Session on Business Continuity/Emergency Planning be arranged as part of the Audit and Risk Committee Agenda and all Members be invited to attend.

ARC44: **INTERNAL AUDIT PLAN 2013/14 – PROGRESS REPORT FOR THE QUARTER APRIL TO JUNE 2013**

The Audit Manager explained that the report showed the Internal Audit activity for the quarter April to June 2013 against the Strategic Audit Plan 2013/14.

Members were advised that on completion of each audit a formal report was issued to the relevant line manager, the Executive Director and Portfolio Holder. Copies were also sent to the Chief Executive, Deputy Chief Executive and the Chief Financial Officer. The report contained an action plan, with target dates, that had been agreed with the managers to address the observations and recommendations raised by Internal Audit. This formed the basis of the follow-up audit, which was carried out approximately six months later to assess progress in implementing the agreed actions.

The Audit Manager advised that the following audits had been completed during the last quarter:

- Housing Needs.
- Document Management (2012/13).
- Performance Management (2012/13).
- Insurance follow-up.
- Business Continuity follow-up.
- Energy Conservation follow-up.
- Economic Development follow-up.
- Treasury and Cash flow Management follow-up.

The Committee was informed that during this quarter the Performance Related Pay (PRP) spreadsheets were also checked to ensure the figures had been calculated correctly. No report was issued as findings were raised and dealt with immediately.

The on-going work and work planned for the next quarter July to September 2013 was outlined as set out in the report.

The Audit Manager explained that the Strategic Plan in March 2013 included 20 days allocated to audits of the Shared Services Partnership Accounts and

Project Costs. Originally it had been intended for the Revenues and Benefits Partnership with North Norfolk to produce joint accounts. However, it had now been agreed with North Norfolk and the External Auditors that each Council would produce their own set of accounts within their own Statement of Accounts for 2012/13 and 2013/14. As a result there were no records for Internal Audit to review and this allocation of time would be held as a general contingency within the plan.

In response to questions from Councillor Mrs Smeaton regarding the problems encountered with the implementation of the Civica System, the Deputy Chief Executive explained that with regard to the benefits section, work was close to the same performance level of processing claims prior to the change in the system. A target had been set of 18 days to process a claim, currently claims relating to change of circumstance were being processed within 20 days. However, within the revenues section there were issues to resolve associated with the way the system operated, for example, changes in how the applications were processed.

In response to further questions from Councillor Mrs Smeaton relating to the Council incurring a penalty for breaching the threshold, the Deputy Chief Executive explained that budget had been set aside to deal with any breach of the threshold in 2013, however, it had not been necessary to use this budget and it had therefore been transferred to a reserve. In the current year the Council was well within the local authority threshold.

RESOLVED: The Committee approved the report on the Internal Audit work plan for April to June 2013.

ARC45: **COMMITTEE WORK PROGRAMME**

The Committee considered its Work Programme.

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

ARC46: **DATE OF NEXT MEETING**

Committee Members noted that the next meeting of the Resources and Performance Panel – Audit and Risk Committee would take place on **Monday 9 September 2013 at 5.30 pm** in the **Committee Suite, King's Court, Chapel Street, King's Lynn.**

The meeting closed at 6.22 pm