

## **AUDIT AND RISK COMMITTEE**

**Monday 16 April 2012**

**Present:-** Councillor D Richards – in the Chair

Councillors Boden and Loades

### **1. APOLOGIES**

There were none.

### **2. DECLARATIONS OF INTEREST**

Councillor Loades declared an interest in item 4 indicating that he was a member of the Aspire Board.

### **3. MINUTES OF PREVIOUS MEETINGS**

**Resolved:-** That the minutes of the previous meeting of this Committee held on 30 January 2012 be approved as a correct record.

### **4. CORPORATE RISK MANAGEMENT REPORT - JANUARY TO MARCH 2012**

Consideration was given to a report providing Members with an update on the progress made by the Council in enhancing and embedding risk management for the period January to March 2012, including progress made in managing the identified corporate risks.

The report dealt with two concerns expressed at the last meeting of the committee namely:-

- (i) Reduced income from the sale of former council houses; and
- (ii) The issue of the management of community centres being included in the Risk Register.

Having regard to the issue around the sale of former council houses on appendix was circulated with the officer's report giving examples of how income could be reduced dependent on the level of discount granted. However, it was considered that it was too early to accurately estimate the effects that changes to discounts would have on income to the Council because changes may encourage more people to buy their homes or the current economic climate may mean that in the next four years any loss of income may be minimised.

It was recognised that the national changes to the Right to Buy Scheme presented a risk to the Borough in providing sufficient affordable housing to residents in housing need. The changes took effect at the beginning of April and it was difficult to predict how many tenants eligible for Right to Buy may take up the enhanced discount offer.

It was agreed that the Economic Development and Enterprise Overview and Scrutiny Committee should be asked to include this matter in its work plan for 2012/13.

Furthermore, the implications of the Localism Act were uppermost in the committee's thoughts and it was agreed that training for Members in this area should be treated as a priority by the Council's Member Training Panel

Referring to the management of community centres, Members were advised that a considerable amount of work was being undertaken in this area and that with which the matter was included in the Council's Forward Plan for discussion by Cabinet in September 2012.

**Resolved:-** (a) That the information be received.

(b) That the Economic Development and Enterprise Overview and Scrutiny Committee be asked to include the implications of the changes to the Right to Buy Scheme in its work plan for 2012/13 and that a further report on this matter be considered at the next meeting of this Committee.

(c) That a training session for Members on the implications of the Localism Act be organised as a priority.

**5. EXTERNAL AUDIT PLAN 2011/12**

The Committee considered the External Audit Plan for 2011/12.

**Resolved:-** That the External Audit Plan for 2011/12 be approved.

**6. CODE OF CORPORATE GOVERNANCE**

Consideration was given to a report reminding Members of the requirements of the Code of Corporate Governance. It was indicated that Good Governance was about how local authorities ensured that they were doing the right things, in the right way, for the right people in an open, honest and accountable manner. In adopting the Code, the authority has able to demonstrate its commitment to ensuring that Good Governance was delivered in every aspect of its business.

The CiPFA/SOLACE Framework for developing and maintaining a local Code of Corporate Governance and the six core principles upon which the Framework was based were set out in the officer's report.

It was indicated that the Council's Code of Corporate Governance had been received for the year 2011/12 and as there had been no updates to the above framework it had not been necessary to make any amendments to it. It was felt that the Code in its present form remained effective in demonstrating the Council's commitment to delivering your governance in all aspects of its business.

It was stated that the Council's Annual Governance Statement produced alongside the Council's Statement of Accounts would report publicly the extent to which the Authority was complying with its own Code of Corporate Governance and by producing this statement annually the Authority was able to demonstrate how the effectiveness of the governance arrangement had been monitored and report on any important or changes it planned to make in the coming year.

**Resolved:-** (a) That the requirements of the Code of Corporate Governance be noted.

(b) That a covering letter signed by the Chair and Vice-Chair of this Committee be sent to all Members reminding them that a copy of the Code of Corporate Governance is available in the Members' Room and on the Council's Intranet site.

**7. UPDATES TO THE COUNCIL'S ANTI-FRAUD AND CORRUPTION FRAMEWORK**

It was reported that the above policies had been presented to the committee in November 2011 following the incorporation of updates to take account of provisions of the Bribery Act 2010.

The policies had been re-examined as part of the scheduled annual review process to ensure their relevance for the next financial year and were submitted for the committee's approval. It was indicated that as there had been no new legislative changes, the policies remained unchanged from when they were last considered and approved.

**Resolved:-** That the Anti-Fraud and Corruption Framework, the Whistleblowing Policy and the Fraud Response Plan be approved.

**8. AUDIT COMMISSION REPORT - PROTECTING THE PUBLIC PURSE 2011**

The committee considered a report outlining the contents of the above report published by the Audit Commission in November 2011 on the key risks and pressures facing Council's and identifying good practice in fighting fraud and where the Council should be reviewing its current arrangements.

It was indicated that the Council already had a set of policies and procedures in place to help prevent and deter fraud from occurring. The policies were reviewed annually against best practice and ensured that as an organisation, the Council proactively encouraged all officers and Members to raise any concerns that they may have.

A Fraud Awareness Guide was made available to managers who were asked to complete and review a Self Assessment checklist for their own service area on an annual basis with the completed lists being used to help inform the audit planning process.

The Council also had an on-line training package in relation to Fraud and Corruption that demonstrated the Council's commitment to ensuring staff awareness and training in relation to fighting fraud. The training package had recently been updated to include the Bribery Act, Procurement Fraud and a section on Misuse and Abuse of Time and Resources on the Council's E-mail and Internet facilities. The training package had been made mandatory for all Executive Directors, Head of Service, Business Managers and others who it was thought may benefit from it.

**Resolved:-** That the information be received.

**9. ANTI MONEY LAUNDERING POLICY**

Consideration was given to a report seeking approval of an Anti-Money Laundering Policy that outlined the Council's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.

A copy of the policy was attached to the report as an appendix together with details of the role of the Council's Money Laundering Reporting Officer.

**Resolved:-** That the Anti-Money Laundering Policy as submitted be approved.

10. **REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

The committee received a presentation from the Council's Audit Manager and was invited to review its Terms of Reference.

A short discussion took place with regards to the current and proposed Terms of Reference for the committee. There was also a discussion around size of the committee and how Members felt the new set up had worked during the current municipal year. On the whole it was felt that the new structure had worked well although reference was made to the fact that the size of the committee should be raised back up to 9 members. It was agreed that this was something that would need to be taken back to the 'new committee'. In relation to the Terms of Reference, members of the committee asked that they be circulated to those members who were unable to attend so that all Members could consider these and report back as necessary any comments.

**Resolved:-** (a) That the information be received.

(b) That copies of the committee's current and proposed Terms of Reference be forwarded to all members of the committee for consideration and that any comments received be discussed at a future meeting.

**D RICHARDS**  
**Chair**