
MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE	3 APRIL 2007
PRESENT	COUNCILLORS HYMAN (CHAIR), HOLVEY (VICE-CHAIR), R WATSON, I WAUDBY (AS SUBSTITUTE FOR MOORE) AND B WATSON (AS SUBSTITUTE FOR JONES)
APOLOGIES	COUNCILLORS MOORE, JONES, SCOTT AND HILL

44. DECLARATIONS OF INTEREST

The Chair invited Members to declare at this point any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

45. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

46. MINUTES

RESOLVED: That the minutes of the meeting of the Audit and Governance Committee held on 31 January 2007 be approved and signed by the Chair as a correct record.

47. FOLLOW UP OF INTERNAL AUDIT RECOMMENDATIONS AND BREACHES OF THE FINANCIAL REGULATIONS (2005/06)

Members considered a report which set out progress made by departments in implementing the audit recommendations agreed for implementation by 31 January 2007. The report also provided an interim summary of progress made in addressing the breaches and waivers of Financial Regulations identified for 2005/06, as requested by Members at the meeting on 4 October 2006.

It was reported that breaches that had occurred in the former Commercial Services Directorate were now being successfully resolved by Neighbourhood Services.

The Chair noted that the annual report of breaches and waivers would be discussed at the next meeting and asked Members to consider which officers they wished to attend when they had seen the papers.

RESOLVED: (i) That the progress made in implementing audit recommendations, as set out in paragraphs 6-9 and 14

of the report, be noted and the further action proposed be endorsed;

- (ii) That the actions taken to address outstanding breaches of Financial Regulations, as set out in paragraphs 10-13, 15-16 and Annex 1 of the report, be noted and the further action necessary on those matters that remained outstanding be endorsed.

- REASON:
- (i) To enable Members to fulfil their role in providing independent assurance on the Council's control environment;
 - (ii) To enable Members to fulfil their role in considering the Council's compliance with its own and other relevant published regulations, controls, operational standards and codes of practice.

48. OFFICER GOVERNANCE GROUP - 2006/07 OUT-TURN AND 2007/08 WORK PROGRAMME

Members considered a report which informed them of progress made during 2006/07 in respect of the Officer Governance Group work programme, and set out a proposed work programme for 2007/08.

Members thanked officers involved in the Group for their work.

The Assistant Director (Audit & Risk Management) reported that the Comprehensive Performance Assessment (CPA) Use of Resources (UOR) headline score had dropped one point in the recent CPA Annual Refresh and highlighted that this masked improvement in the detailed scores across many areas. She advised Members that it would be useful for them to understand both the complex scoring system and the result in detail and queried how they wished to consider them. Members suggested that the scoring system and a briefing report on the results form part of a future training session for Audit & Governance Committee.

- RESOLVED:
- (i) That the progress made in respect of the Group's work programme since September 2005, as set out in Annex 2 of the report, be noted;
 - (ii) That the outstanding matters, as detailed in paragraph 9 of the report, be noted;
 - (iii) That the proposed work programme for the Group for 2007/08, as set out in Annex 3, be noted and endorsed;
 - (iv) That the need for the Group to provide a mid-term monitoring report on progress in September 2007 be endorsed.

REASON: (i) In fulfilment of the delegated responsibilities of the Committee as set out in Article 13 of the Council's Constitution;

(ii)-(iv) To ensure the effective management and follow-up of key action to be taken to support ongoing development and improvement work at the Council.

49. STATEMENT OF INTERNAL CONTROL

Members considered a report which detailed progress made towards preparing the 2006/07 Statement of Internal Control (SIC), addressing the significant control issues identified in the 2005/06 SIC and rectifying the control weaknesses declared by departments in their individual control self assessments.

The Committee commented on the control issues identified by Members, which were set out in Annex 1 of the report.

RESOLVED: (i) That the results of the work completed to date by Internal Audit to prepare the 2006/07 Statement of Internal Control be noted;

(ii) That the results of the follow up review of the 2005/06 Statement of Internal Control action plan be noted.

REASON: (i) To enable Members to consider the adequacy and effectiveness of the Council's control environment;

(ii) To ensure Members are aware of the progress which has been made to address previously reported significant control issues.

50. ANNUAL AUDIT AND FRAUD PLAN FOR 2007/08

Members considered a report which sought approval for a planned programme of audit and fraud work to be undertaken during 2007/08, together with new terms of reference for the Internal Audit Service.

Members thanked officers for their hard work producing the Plans.

RESOLVED: (i) That the 2007/08 Internal Audit and Counter Fraud Activity Plans be approved;

(ii) That the new terms of reference for the Internal Audit Service be approved.

REASON: (i) To enable the Audit and Fraud plans to be delivered effectively;

(ii) To ensure that the role and responsibility of Internal Audit within the Council is properly defined.

51. RISK MANAGEMENT OUT-TURN REPORT

Members considered a report which informed them of progress made during 2006/07 in managing and embedding risk management arrangements at City of York Council, and provided details of the 2007/08 work programme.

Members noted the low take up of training places by the City Strategy Directorate and queried whether risk management needed further embedding in this area.

Members noted that risk management was included in the post-election Member training programme and highlighted the importance of adequate training for Audit & Governance Committee Members and substitutes.

RESOLVED: (i) That the contents of this report be noted.

REASON: (i) To raise awareness of the progress made to date in respect of the risk management framework at the Council and to advise Members of the 2007/08 work programme.

52. CHAIR'S COMMENTS

The Chair noted the professionalism and competence of Audit & Risk Management staff and thanked officers generally for their support and hard work over the last year.

K Hyman, Chair

[The meeting started at 5.30 pm and finished at 6.10 pm].