

**MAIDSTONE BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**MINUTES OF THE MEETING HELD ON 1 DECEMBER 2008**

**DELEGATED MATTERS**

**PRESENT:** Councillor Horne (Chairman) and  
Councillors Butler, Nelson-Gracie, Parr and Warner

**ALSO PRESENT:** Steve Golding and Emily Hill (Audit Commission)

41. NOTIFICATION OF SUBSTITUTE MEMBERS

There were no Substitute Members.

42. NOTIFICATION OF VISITING MEMBERS

There were no Visiting Members.

43. DISCLOSURES BY MEMBERS AND OFFICERS

There were no disclosures by Members and Officers.

44. DISCLOSURES OF LOBBYING

There were no disclosures of lobbying.

45. EXEMPT ITEMS

RESOLVED: That the items be taken in public as proposed.

46. MINUTES

RESOLVED: That the minutes of the meeting held on 3 November 2008 be approved as a correct record and signed.

47. REPORT OF ASSISTANT DIRECTOR OF CUSTOMER SERVICES – ANNUAL REVIEW OF BUSINESS CONTINUITY ARRANGEMENTS 2008/09

The Committee considered the report of the Assistant Director of Customer Services regarding the Council's Corporate Business Continuity Arrangements. It was highlighted that the Council, as a Category 1 respondent, under the Civil Contingencies Act had a duty to:

- (a) Maintain plans to ensure that they could continue to exercise their functions in the event of an emergency as far as is reasonably practicable.
- (b) Put in place arrangements to warn and inform the public in an event of an emergency.
- (c) To put in place a training programme for those directly involved in the execution of the Business Continuity Plan should it be invoked.

Local authorities were also required to provide advice and assistance to businesses of other organisations in relation to their Business Continuity Management.

The Council had developed a Corporate Business Continuity Plan with individual incident (or scenario plans) with separate Business Continuity Plans for twelve key services.

The Committee considered the plan was fairly robust, but took the opportunity to ask a number of questions relating to some specific items.

In response to a question, it was indicated that there was a backup power facility at Maidstone House provided by The Mall through on site generators. However, last week a test had been undertaken to see if they kicked in. Electric power was switched off, but in this instance it did not work and this matter was now being pursued with EDF. However, it was reported that the UPS could last for 40 minutes and the generator power would be able to maintain the 6<sup>th</sup> floor for a number of weeks.

The Assistant Director for Services indicated that the plan was as complete as it could be in the circumstances but, as in all of these issues, the Council would learn from an actual event.

RESOLVED: That the progress made in relation to Business Continuity and the revised Corporate Business Continuity Plan be noted.

48. REPORT OF CHIEF OFFICER MANAGEMENT TEAM – STRATEGIC AND OPERATIONAL RISK MANAGEMENT

The Committee considered the report of the Chief Officer Management Team on the strategic and operational risk management which had been dealt with at the last meeting, but from which there were a number of outstanding items which required clarification.

The Head of Internal Audit and Risk Strategy then updated the Committee on the points that required clarification as follows.

Climate Change

The Assistant Director of Community and Development Services had provided a comment on the potential use of car parks to aid flood plain run off and had provided a copy of the Planning Policy statement in relation to building on flood plains. The Head of Internal Audit and Risk Strategy agreed to circulate the email and attachment to Committee Members.

Workforce Planning with Talent Management

The Head of Human Resources had confirmed that monitoring of areas of high turnover was currently carried out and that exit interviews were held. However, the full implementation of the functionality of new HR/Payroll system would allow more detailed monitoring and analysis to take place. In response, Members asked that the Head of Human Resources provide direct feedback to the Committee, setting out an analysis of turnover and providing a comparison with other Councils.

### Corporate Projects

A report had been written by the Head of Business Improvement and would deal with the risks raised in the Strategic Register and the issues raised by the Committee. The report was awaiting consideration by Management Team. In response, Members expressed concern that this extremely important and potentially high risk area seemed not to be progressing. The Committee therefore asked that its concerns be referred to the Cabinet.

### Overview and Scrutiny

The Overview and Scrutiny Manager had updated her operational risk register and had commented as follows: 'With regard to the risk relating to the capacity of overview and scrutiny following the introduction of the partnership, the Corporate Services Overview and Scrutiny Committee considered this when they reviewed the partnership in September. As a result of the review, the scrutiny team will now be using their professional support budget to increase capacity; employing a graduate to carry out research when required during the scrutiny year. It was also agreed that, if needed, cover could be provided by Officers from Tunbridge Wells to Maidstone and vice versa.

### Community Safety

The Assistant Director of Community and Development Services had confirmed that the Council has a statutory duty to form a CDRP and that there are six partners: Kent Police, Police Authority, Kent Fire and Rescue, PTC, Kent County Council and Maidstone Borough Council.

There is no demarcation between the roles of the partners within the CDRP. However, the Council has a wider role in Community Safety under S127 of the Crime and Disorder Act, e.g. provision of CCTV.

### Legal Services

The Interim Legal Services Manager had provided a comprehensive response and an updated risk register entry relating to issues of capacity to deal with increasing workloads arising from new legislation. The Head of Internal Audit & Risk Strategy agreed to circulate the response to members of the Committee.

### RESOLVED:

- (i) That it be noted that a number of the above issues needed to be reviewed on a regular basis;
- (ii) That the Cabinet should give consideration to the concerns of the Committee in respect of Corporate Projects and in particular to the comments raised in the future action required in the Strategic Risk Register and the key actions from the Internal Audit as a matter of importance and that a response be submitted to the Audit Committee by mid to late January;
- (iii) That the Local Development Document Advisory Group be asked that when looking at the issue of infrastructure when considering the Local Development Framework, should not just look at issues in terms of planning but look at the practical issues involved, therefore being able to

give a broader consideration to all the issues highlighted within the Strategic Risk Register; and

- (iv) That in respect of the carbon reduction targets a review be made in six months to see if progress was in line with the targets set by Cabinet.

49. REPORT OF HEAD OF INTERNAL AUDIT AND RISK STRATEGY – INTERNAL AUDIT – SIX MONTHLY INTERIM REPORT

The Committee considered the report of the Head of Internal Audit and Risk Strategy on the work of the Internal Audit section over the six month period, April 2008 to September 2008, noting the outcomes of the Internal Audit work. The Committee then considered details of those audits which had received a limited assurance and in particular focused the comments in relation to the audit on project management.

The Committee also considered the issues raised within the audit on parking enforcement for the need to submit data files to Northampton County Court by post. It was reported to the Committee that the Council considered this a very serious issue and was currently not supplying that data. The Audit Committee added its own concern on this matter as well and felt there were a number of short-term options that could be looked at including taking the data to local County Courts where the transfer could be undertaken, but they also felt that the matter should be taken up with the Local Government Association and the Information Commissioner as well as the ITAC and the Law Society.

RESOLVED:

- (i) That the results of the work of the Internal Audit section of the period April to September 2008 as stated in the report of the Head of Internal Audit Risk Strategy be noted;
- (ii) That it be agreed that adequate action had been taken to improve the control environment in the areas assessed as limited or minimal as detailed within Appendix B to the report of the Head of Internal Audit and Risk Strategy subject to the concerns expressed in relation to the Audit on Project Management;
- (iii) That an effective control environment had been identified within the scope of the audit and the areas assessed as being substantial or high, as detailed in Appendix C to the report of the Head of Internal Audit and Risk Strategy be noted;
- (iv) That it be noted that there are no important issues arising from the audit work which were outstanding; and
- (v) That the Officers look at the options available to the authority for dealing with the issue raised in the Internal Audit on parking enforcement relating to the submission of data to the Northampton County Court, including whether the information could be supplied to the local county court and that the Local Government Association, the Information Commissioner, ITAC and the Law Society should be approached in order to assist the Council in moving this matter forward.

50. REPORT OF CHIEF FINANCE OFFICER - EXTERNAL AUDIT REPORTS

The Committee considered the report of the Chief Finance Officer stating that two External Audit Reports on Use of Resources and Data Quality had not been received. Emily Hill of the Audit Commission indicated that the Use of Resources Report work had been completed, and was currently going through the Audit Commission Quality Control process, having passed through the regional control section and was now at national level. She expected that the results regarding this matter would be known on Monday 8 December at 10.00 a.m.

Steve Golding indicated that the assessment work on data quality had been completed and would be written up and ready in two weeks' time. The Committee agreed that these matters should be considered early in January.

The Audit Commission also indicated that they would be happy to make a presentation to the Council on next year's Use of Resources assessment which would be completely different from this year's, probably being a much harder test. The Committee welcomed this and were happy to receive a presentation which they indicated could possibly be done to its meeting on 12 January when it could also be opened out to all other Members.

RESOLVED: That the report be noted.

51. REPORT OF DEMOCRATIC SERVICES MANAGER – DATES OF FUTURE MEETINGS

The Committee considered the report of the Democratic Services Manager setting out the proposed change in arrangements to future meetings of the Committee, which would be more in line with the decision of previous meeting of the Committee where it was suggested a change whereby a number of items should come first to the Audit Committee before going on to Cabinet, therefore making both bodies function more effectively for the overall benefit of the Council.

The Committee also considered that a meeting would need to be held early in the New Year to receive the external audit reports mentioned above.

RESOLVED:

- (i) That the Cabinet be recommended to support the changes in the way reports are submitted to the Cabinet and the Audit Committee on the basis set out in the Appendix to the report of the Democratic Services Manager; and
- (ii) That a special meeting of the Committee be held on 12 January 2009 to receive the external audit reports on Use of Resources and Data Quality and also to receive a presentation from the Audit Commission on the new Use of Resources assessment for next year and that that part of the meeting be open to all Members of the Council.

52. DURATION OF MEETING

6.30 p.m. to 9.00 p.m.