

Corporate Governance and Audit Committee

Tuesday, 21st January, 2014

PRESENT: Councillor G Hussain in the Chair
Councillors N Taggart, T Hanley, C Fox,
R Wood, E Taylor, J Illingworth, J Bentley
and J Hardy

Apologies Councillor P Grahame

43 Appeals Against Refusal of Inspection of Documents

There were no appeals against the refusal of inspection of documents.

44 Exempt Information - Possible Exclusion of the Press and Public

Members discussed the rules surrounding conducting aspects of the meeting in private session in light of an on-going investigation at a partner organisation by Internal Audit and West Yorkshire Police. Officers advised that the investigation should not be discussed at this stage but that as soon as it is appropriate to do so, details will be provided to the committee so that they may fulfil their responsibilities to have oversight of the control environment and receive assurances that recommendations have been implemented to ensure there are no control weaknesses.

There were no resolutions to exclude the public.

45 Late Items

There were no late items submitted to the agenda for consideration. However Members were in receipt of a revised version of the KPMG External Audit Plan, Agenda Item 9, (Minute 51. refers). This had been received following publication and printing of the agenda.

46 Declaration of Disclosable Pecuniary and Other Interests'

There were no declarations made.

47 Apologies for Absence

Apologies for absence were received from Councillor P Grahame

48 Minutes - 8th November 2013

RESOLVED – The minutes of the meeting held on 8th November 2013 were approved as a correct record.

49 KPMG report - Annual Audit Letter 2012/13

The Deputy Chief Executive submitted a report which provided a summary of the of the key external audit findings in respect of the 2012/13 financial year.

The Chair welcomed John Prentice a Director of KPMG who has been given responsibility for undertaking the external audit work at the Council.

RESOLVED – The Committee resolved to note the conclusions and recommendations arising from the 2012/13 external audit process.

50 KPMG Certification of grants and returns 2012/13

The Deputy Chief Executive submitted a report which informed Members of the result of the work KPMG have carried out on the certification of grant claims in respect of 2012/13.

John Prentice of KPMG was in attendance to help answer Members' questions.

Members asked questions about the process surrounding certification of grants.

Questions were also asked about the possibility of comparisons being made in this area against other core cities. Members were informed that no direct comparisons have been made but that audit bodies are expected to receive feedback on performance at a national level in the next few months.

Members congratulated the finance team for their work in this area.

RESOLVED – The Committee resolved to note the results of the work KPMG have carried out on the certification of grants and returns for the financial year 2012/13.

51 KPMG External Audit Plan 2013/14

The Deputy Chief Executive submitted a report which informed Members of KPMG's audit plan for the audit of the Council's accounts and Value for Money Arrangements. The attached report from KPMG highlighted the risk based approach to the audit and the main risks they have identified for 2013/14.

John Prentice of KPMG was in attendance to help answer Members' questions and provided Members with a brief description of his experience of working in external audit and an outline of the main elements of the audit plan.

Members discussed PFI contracts that have been awarded in recent years specifically commenting on their inflexibility and what possibilities there were for renegotiation. KPMG informed members that they will be considering PFI contracts as part of their accounts and Value for Money work.

RESOLVED – The Committee resolved to agree the nature and scope of the audit plan.

52 Update 4 - Shared Service Partnership with Calderdale Metropolitan Borough Council to meet Adult Social Care Technology Requirements

The Director of Adult Social Services submitted a report which provided an update on the progress on the ASC Systems Review Programme. It further provided assurance to the Committee that the challenges that have been faced have been resolved and the project is on track to provide the required technology solution within Adult Social Care.

The Chief Officer (Resources and Strategy) and the Senior Project Manager (Resources) were in attendance to answer Members' questions.

Members discussed the risks of sharing information and what governance structures were in place to mitigate against these.

The flexibility of the new system in relation to changing legislation was questioned. Members were informed it was difficult to predict what legislation would change but the new system is seen as adaptable to any changes in legal requirements.

Members asked questions about the delivery of the project and whether it was running to schedule. Members were informed that the project had slipped a couple of months to 1st June 2014 from the original intended start date of April 1st 2014. Members were also informed that the impact of the new system on front line staff was being closely monitored.

Members were supportive of the project, noted the benefits of local authorities coming together and wished it every success.

RESOLVED - The Committee resolved to:

- (a) note the progress that has been made, as well as the challenges that have been resolved; and
- (b) agree to receive a further report on the progress of the programme following the successful implementation. However, if any further issues are encountered that affect the quality, cost or timescales of the implementation, it is recommended that these are raised with the Chair

of the Committee and brought back to the full Committee if deemed appropriate.

53 Report of the Information Commissioner's Office following a Data Protection Audit conducted across the Council

The Executive Officer Information Governance presented a report of the Assistant Chief Executive (Citizens and Communities) which ensured that the Committee had had sight of the recommendations contained within the ICO audit report and consider their implications for the Council.

Members discussed the report and asked questions about its contents specifically in relation to the shredding of paper and the need to get all services included in the corporate contract.

Members debated the laws surrounding the storage of data in different geographical areas.

RESOLVED – The Committee resolved to note the level of assurance the Council has provided the Information Commissioners Office in respect of its processes and procedures for delivering data protection compliance.

54 Internal Audit Update Report 1st September to 30th November 2013

The Chief Officer (Audit and Investment) presented his report which provided a summary of Internal Audit Activity for the period 1st September to 30th November 2013. The report highlighted the incidence of any significant control failings or weaknesses.

Members discussed the report in detail. Following comments by the Chief Officer (Audit and Investment) about a reduction in resources available Members sought assurance that there would be no reduction in the ability of the service to complete obligations under Section 151 of the Local Government Act and to undertake audits of key financial systems that KPMG rely upon for the final accounts audit. The Chief Officer (Audit and Investment) confirmed that initial work on the 2014/15 audit plan indicated that sufficient resources would be available to provide an evidenced based opinion on the control environment.

Members specifically discussed the audit reports issued that were provided with a low level of compliance assurance. Reasons behind the low assurance and information on what follow up work the Internal Audit service will undertake was provided by the Chief Officer (Audit and Investment)

Members suggested two areas of work for Internal Audit to review as part of the audit plan for 2014/15 which will be presented in full for members comments at the next meeting; agency staff and school reserves. Following further discussion, school reserves were not considered an appropriate area for audit review in 2014/15 and the Chief Officer (audit and Investment) confirmed that, following Members previous comments on agency staffing,

this review had been brought forward and featured in the current year's audit plan. Furthermore, Members discussed the issue of unoccupied council properties as an area of concern.

The spending money wisely work completed by Internal Audit was questioned by Members specifically in relation to work done prior to money being spent.

RESOLVED - The Committee resolved to note the contents of the report.

55 Work Programme

The City Solicitor submitted a report notifying Members of the work programme.

The Committee reviewed its forthcoming work programme.

RESOLVED – The Committee resolved to note the work programme.