

**MINUTES of the meeting of Audit and Corporate Governance Committee held at Council Chamber, Brockington, 35 Hafod Road, Hereford. HR1 1SH on Friday, 4 April 2008 at 10.00 a.m.**

**Present:** Councillor ACR Chappell (Chairman)  
Councillor B Hunt (Vice Chairman)

Councillors: MJ Fishley, JHR Goodwin, TM James, R Mills and  
RH Smith

**In attendance:** Councillor PJ Edwards

**77. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor AM Toon.

**78. NAMED SUBSTITUTES(IF ANY)**

Councillor T James substituted for Councillor AM Toon.

**79. DECLARATIONS OF INTEREST**

Councillor RH Smith declared a personal interest in item 9 on the Agenda, Minute No. refers, being a Member of the Board of Herefordshire Housing Limited.

**80. MINUTES**

**RESOLVED:** that the Minutes of the meeting held on 29 February 2008 be confirmed as a correct record and signed by the Chairman subject to the following amendment:

- (ii) the words ' the Constitution and' being deleted from Resolution (ii) to Minute No.73.

**81. DATA QUALITY REPORT**

The Committee considered a report which requested approval of a response to the data quality report from the Audit Commission.

Tony Geeson, Head of Policy and Performance, presented the report. He emphasised that there had been a fundamental change to the approach by the Audit Commission and other regulators over the previous three years. Details of the new approach were set out in paragraph 3 of the report. He also made reference to paragraphs 3.1 and 3.2 of Appendix 1 of the report. Following despatch of the Committees agenda, amendments had been made to the overall responsibility and accountability and these were included in the forthcoming report to Cabinet that now differed from the report in front of the Committee. He drew Member's attention to the Commission's recommendation R12 in Appendix 3 to the report and that the officers disagreed with the recommendation. It was the officer's view that the IPFR was a key strategic performance management document but not a replacement for the more

operational reports used on the Directorates to manage their own improvement. The Audit Commission had been informed of this view during consultation on the draft recommendations but had apparently not changed their view.

Councillor RH Smith was of the view that the words 'taken for granted' in the first sentence of the Reasons paragraph on page nine of the report gave a too optimistic impression of data quality currently in the Council. They should be replaced with the words 'that made the Council's current, unsatisfactory, score 2 out of 4 clear. He also requested that any reference to individuals in reports should in future have explanations attached indicating their job title and their aim. He made particular reference to Appendix 3, and that dates should be set out showing dates for commencement, planned dates for achievement, and progress towards the achievement dates.

Tony Geeson assured the Committee that in future, reports would give the details required. He informed Members that the dates in the final column of Appendix 3 were set in January 2008. These had proved too optimistic given the scale of some of the tasks required particularly the need to identify staff responsibilities, corporate and Directorate procedures as well as all relevant contacts and data sharing partners. Some dates had slipped from initial projected achievement dates. He tabled an updated version to Members showing amended dates.

Chris Bull, Chief Executive, noted Councillor Smith's comments and informed the Committee that the current reporting format of reports was being reviewed and that he would report the revised reporting protocols to the Committee in due course.

**RESOLVED: that the response to the data quality audit report as set out in Appendix 3 to the report be approved on the basis of a working document with some scope for improvement.**

## 82. AUDIT STRATEGY 2008/09

The Committee considered a report containing the 2008/09 Audit Strategy.

Tony Ford, Chief Internal Auditor, presented the report. He referred to Appendix 1, the Internal Audit Control Matrix, and emphasised that the percentage weighting for the areas shown from (a) to (k) was achieved by the risk factor to the Council of each area failing. Hence, Financial Standards being high on the list. He further informed Members that the Council's Audit Plan follows the same order as the Matrix and that the Audit Commission considers that Financial Standards are top priority.

Councillor R Mills made reference to the need to have arrangements in place to track the financial processes attached to planning applications.

Sonia Rees, Director of Resources, advised that the Audit Plan contains an element to investigate procedures and arrangements. She made particular reference to the recruitment underway to appoint to a new Section 106 Monitoring Officer post and would ensure that in the case of Section 106 Agreements attached to Planning Applications, the various controls, procedures and financial accompaniments would be monitored. There was also a mechanism in place to report to the Committee detailing any procedures which were not in place.

Councillor TM James referred to the level of recommendations agreed for action by management at (j) in Appendix 1 and asked that other local authorities arrangements in this area had been investigated.

Tony Ford advised that other authorities had not been analysed in this area but that

this area had been approved by the Audit Commission. He would however bring more detailed information to the Committee on this subject in future. He also advised that the Overall Opinion scores in Appendix 1 would be reported to a future meeting of the Committee.

**RESOLVED: that the Audit Strategy for 2008/09 as set out in Appendix 1 to the report be approved.**

**83. AUDIT COMMISSION REPORTS**

The Committee considered a report which suggested a framework to manage the process of receipt and action follow-up on all audit Commission reports received by the Council.

**RESOLVED: the framework for the control of Audit Commission reports as contained in the report be submitted to Cabinet for approval.**

**84. AUDIT PLAN 2008/09**

Consideration was given to a report on the process used to develop the Annual Plan for 2008/09.

Tony Ford, Chief Internal Auditor, presented the report. He advised the Committee that the Audit Plan set out in Appendix 1 to the report was in line with the Audit Strategy. He drew the Committee's attention to paragraph 5 of the report and informed Members that at its meeting on 27th March 2008, Cabinet had approved the assurance framework.

**RESOLVED: that the Audit Plan for 2008/09 as set out in Appendix 1 to the report be approved.**

**85. UPDATED INTERIM ASSURANCE REPORT 2007/08 NO.6**

The Committee considered a report which set out an updated interim assurance report which provided an update on progress with the significant internal control issues identified in the assurance report for 2006/07 and identified the significant internal control issues identified to date in 2007/08.

The Committee noted that paragraph 22 of the report should refer to this Committee's meeting held on 29th February 2008.

Councillor RH Smith queried the meaning of the term 'standard met' in the Audit opinion column in Appendix 1 to the report. Tony Ford, Chief Internal Auditor, informed the Committee that the next report would include a definition of the term.

**RESOLVED: that the report be noted.**

**EXCLUSION OF PRESS AND PUBLIC**

**In the opinion of the Proper Officer, the following items will not be, or is likely not to be, open to the public and press at the time it is considered.**

**RESOLVED; that the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in schedule 12(A) of the Act, as indicated**

**below.**

**86. OFFICER ICT EXPENSES** (Pages 1 - 2)

The Chairman informed the Committee that due to the information being reported, Agenda item numbers 10 and 11 would be considered as one item.

The Committee considered an Exempt oral report.

**RESOLVED: that the Exempt oral report be noted.**

**87. ICT CONTRACTOR EXPENSES**

See Minute number 86.

The meeting ended at 11.25 a.m.  
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**CHAIRMAN**

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