

NOTTINGHAM CITY COUNCIL

AUDIT COMMITTEE

MINUTES

of meeting held on **29 JULY 2011** at

Loxley House from 10.20 am to 12.00 pm

- ✓ Councillor K Williams (Chair)
- ✓ Councillor Aslam
- ✓ Councillor Fox
- ✓ Councillor Hartshorne
- ✓ Councillor Heaton (minutes 5 - 14 inclusive)
- ✓ Councillor Molife
- ✓ Councillor Parton
- ✓ Councillor Piper
- ✓ Councillor Steel

✓ indicates present at meeting

Also in attendance

Jeff Abbott	- Head of Strategic Finance)	
Kevin Banfield	- Head of Performance, Improvement Planning)	
Simon Burton	- Corporate Performance and Quality Officer)	
Theresa Channell	- Senior Finance Manager)	Resources
Cliff Dean	- Business Support Performance and Quality Manager)	
Rachel Mottram	- Constitutional Services Officer)	
Shail Shah	- Head of Internal Audit)	
Mary Wells	- Audit Assistant)	
Helen Jones	- Director of Adult Assessment	-	Communities
Paul Hutchings	- Audit Manager	-	Audit Commission

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Molife and Sue Sunderland (District Auditor, Audit Commission).

2 DECLARATIONS OF INTERESTS

No declarations of interests were made.

3 APPOINTMENT OF VICE CHAIR

RESOLVED that Councillor Piper be appointed Vice-Chair for the municipal year 2011/12.

4 MINUTES

RESOLVED that the minutes of the last meeting held on 25 February 2011, copies of which had been circulated, be confirmed and signed by the Chair.

5 THE ROLE OF THE AUDIT COMMITTEE AND ANNUAL WORK PROGRAMME

Consideration was given to a report of the Deputy Chief Executive/Corporate Director for Resources, copies of which had been circulated. The Head of Internal Audit introduced the report and circulated a letter from Communities and Local Government updating the authority on the work on the future of local audit.

RESOLVED

- (1) that the functions of the Audit Committee, the benefits arising from its existence, the outline work programme, membership and terms of reference (at appendices 1 and 2) be endorsed;**
- (2) that the letter received from Communities and Local Government dated 28 July, updating the authority on work on the future of local audit, be noted.**

6 STRATEGIC RISK REGISTER (SRR) QUARTER 4 2010/11 UPDATE

Consideration was given to a report of the Deputy Chief Executive/Corporate Director for Resources, copies of which had been circulated. The Corporate Risk Specialist introduced the report.

Two strategic risks were selected at the meeting on 25 February 2011 for specific scrutiny at this meeting as follows:

SR22 – Failure to achieve national policy requirement and targets for ‘Putting People First’

The Director of Adult Assessment explained how the focus of adult social care had been on how services were delivered and the introduction of personal budgets.

The following key information was also provided:

- the aim of personal budgets was to provide more choice in control and quality of services;
- the department met the initial national government target of 30% to provide all those eligible for a personal budget and were well on track to achieve the 60% target by March 2013;
- an I.T system to manage personal budgets would be in place by end of March 2012;
- most elements of the ‘Putting People First’ programme would become part of everyday business.

The following information was provided in response to questions from the Committee:

- services users were reviewed and this identified if personal budgets were not meeting their needs, best practice aimed for service users to be reviewed once a year but current resources meant this was happening every two years;

- reviews would also be carried out following requests by service users;
- personal budgets could be paid directly into a special bank account, by indirect payments whereby the local authority paid the providers or external providers offered managed accounts;
- the authority was looking at accreditation for external bodies to provide managed accounts to check that the accounts were managed correctly;
- local prices for services were sought when determining personal budgets;
- in-house services were often significantly more expensive than external providers and it was possible this could restrict service users choices.

SR25 – Failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework

The Head of Performance Improvement Planning circulated a copy of the commissioning model. It was explained that a number of activities had been introduced to embed the commissioning framework including:

- integrated commissioning function had been established in the council;
- the role of the Executive Board Commissioning Sub Committee had been strengthened;
- significant savings had already been achieved through taking a commissioning approach;
- clear Commissioning Pathway had been agreed by Councillors which included a specific focus on early intervention and prevention.

It was further explained that the outcome from the reviews were still to take affect but it was anticipated that once they had, the threat level would reduce.

RESOLVED

- (1) that the progress on reducing the seriousness of the Council’s strategic risks, as reflected by their current threat levels and Direction of Travel (Table 1, page 2 and Appendix 1, page 7 in the report) be noted;**
- (2) that the results of the review of the SRR by Corporate Leadership Team and, in particular, the newly escalated Strategic Risk SR8a – Failure to implement and embed effective information management structures, policies, procedures, process and controls, included as Appendix 2, page 9 in the report, be noted;**
- (3) that the strategic risks SR22 - Failure to achieve national policy requirement and targets for Putting People First, and SR25 – Failure to deliver improved outcomes through the implementation and embedding of the Commissioning Framework, and corresponding Risk Management Action Plans, be noted;**
- (4) that the risks SR6 – Failure to safeguard vulnerable children, and SR16a – Failure of partners including the City Council to work effectively together to**

achieve vision and outcomes in The Nottingham Plan to 2020, be selected for specific scrutiny for the SRR Quarter 1 2011/12 update.

7 STATEMENT OF ACCOUNTS 2010/11

Consideration was given to a report of the Deputy Chief Executive/Corporate Director for Resources, copies of which had been circulated. The Deputy Chief Accountant introduced the report and circulated copies of the draft Statement of Accounts 2010/11.

RESOLVED that the following be noted:

- (1) that the contents of the draft Statement of Accounts would be placed on deposit for public inspection for 20 working days from 1 August 2011;**
- (2) that the draft Statement of Accounts was submitted to the Audit Commission for audit approval on 30 June 2011;**
- (3) the Council's position and confirmation that it was appropriate that the Statement of Accounts had been constructed on a going concern basis.**

8 TREASURY MANAGEMENT STRATEGY 2011/12 – REVISED PRUDENTIAL INDICATORS

Consideration was given to a report of the Deputy Chief Executive/Corporate Director for Resources, copies of which had been circulated. The Head of Strategic Finance introduced the report.

RESOLVED that the proposed changes to the Prudential Indicators, as detailed in Appendix A to the report, be noted.

9 ANNUAL REPORT TO STANDARDS COMMITTEE

Consideration was given to a report of the Monitoring Officer, copies of which had been circulated. The Head of Internal Audit explained that the report was for information only.

RESOLVED that the report be noted.

10 INTERIM ANNUAL GOVERNANCE STATEMENT (AGS) 2010/11

Consideration was given to a report of the Deputy Chief Executive/Corporate Director for Resources, copies of which had been circulated. The Head of Strategic Finance introduced the report.

RESOLVED that the Interim AGS 2010/11, as set out at Appendix 1 to the report, be noted.

11 INTERNAL AUDIT ANNUAL REPORT 2010/11 AND INTERNAL AUDIT CHARTER

Consideration was given to a report of the Deputy Chief Executive/Corporate Director for Resources, copies of which had been circulated. The Head of Internal Audit introduced the report.

RESOLVED

- (1) that the audit work completed during the year and the Head of Internal Audit's Annual Opinion be noted;
- (2) that the following audits be examined at the November meeting:
 - (i) 15 plus team;
 - (ii) Top Valley School;
- (3) that the Audit Charter at Appendix 5 to the report be endorsed.

12 AUDIT COMMITTEE ANNUAL REPORT 2010/11

Consideration was given to a report of the Chair of the Audit Committee, copies of which had been circulated. The Chair introduced the report.

RESOLVED that the work undertaken be noted and Appendix 1 to the report be approved for submission to the meeting of City Council on 12 September 2011.

13 INTERNAL AUDIT ANNUAL WORK PLAN 2011/12 AND STRATEGIC PLAN 2011-14

Consideration was given to a report of the Deputy Chief Executive/Corporate Director for Resources, copies of which had been circulated. The Head of Internal Audit introduced the report.

RESOLVED

- (1) that the Internal Audit Plan for 2011/12 and the Strategic Internal Audit Plan for 2012-14 be endorsed;
- (2) that consideration be given to the implications on the City and Councillors of schools changing to academy status.

14 DATES OF FUTURE MEETINGS

RESOLVED that the Committee meet at 10.30am on the following Fridays:

2011

**23 September
25 November
30 December**

2012

**24 February
27 April**