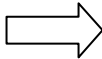


ITEM 5 APPENDIX 1

PROGRESS MONITORING REPORT to SEPTEMBER 2008 – AUDIT COMMITTEE

Title of Agenda Item	Concern/Cause	Action Proposed	Responsibility	By when	Action Taken	Status
MEETING HELD ON 24 JANUARY 2008						
1. <u>Internal Audit: Status of Work December 2007</u> (Ref. <u>Appendix 1 and CONF Appendix 2</u>) (Item 7 on the agenda)	Following discussion on the current audit opinions of 'Cantell Maths and Computing College' (Limited Assurance) and the item in the confidential appendix (No Assurance), where critical weaknesses or unacceptable levels of risk had been identified, Members sought reassurance on how lessons could be learned, standards restored and maintained.	(iii) that the Chief Internal Auditor be requested to report back to the next appropriate Audit Committee on the audit strategy for the City's schools, including a review of reporting frameworks. (MINUTE NO. 27 (iii))	Sarah Dennis	June 2008	The Committee approved the adoption of the 'Schools Audit Policy' at the June meeting.	COMPLETED
MEETING HELD ON 27 MARCH 2008						
2. <u>Audit Commission: Audit and Inspection Plan 2008/09</u> (Item 8 on the agenda)	Members requested that the Audit Commission provides assurance on 'Building Schools for the Future' at appropriate stages of the programme. The Audit Commission agreed that this programme is likely to be a 'key risk' to the Council.	The Building Schools for the Future Programme will be risk assessed and built into the Audit Commission's Audit and Inspection Plan at an appropriate stage. (ACTION POINT)	Mike Bowers (Audit Commission)	On approval of BSF Programme	The 'Building Schools for the Future' programme report was approved at Full Council on 16 July 08 and at Cabinet on 28 July 08. The Audit Commission met with the Executive Director for Children's Services to discuss 'building schools	ONGOING

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	<p>Members had previously requested that they be briefed on how risk assurance will be provided on the Combined Heat and Power (CHP) Project and had already received this response from the Executive Director for Housing and Neighbourhoods.</p>				<p>for the future' during September. It is currently considering how this project will impact upon its audit for 2008/09 before agreeing its response with the Executive Director for Children's Services in October 2008. The Commission will then update the Audit Committee at its next meeting.</p>	<p><i>'No compliant bids have so far been received from a private sector partner, therefore this item will be deferred to a future meeting to enable the Cabinet Member to consider the matter'.</i></p>	<p>COMPLETED</p>

Title of Agenda Item	Concern/Cause	Action Proposed	Responsibility	By when	Action Taken	Status
	The Directorate for Housing and Neighbourhoods sent representation to the June 08 meeting, where further information was requested – on this occasion regarding any risk assessment undertaken on the likelihood of obtaining a private sector partner for this project.	Information about any risk assessment undertaken on the likelihood of obtaining a private sector partner for this project to be provided to Members. (ACTION POINT)	Nick Murphy/Bryn Shorey	Sep 08	(see attached email)	COMPLETED
3. Self Assessment of the Effectiveness of the Audit Committee (Item 12 on the agenda)	Members agreed the following areas where action could be taken to further improve the Committee's effectiveness. (cf. Appendix 1 to the report)					
2.c	Does the Audit Committee consider how meaningful the SIC (annual governance statement) is?	This requirement will be made specific in covering report to Committee 25/06/08	Sarah Dennis	June 2008	The Committee considered this at the June meeting in the report on Annual Governance Statement.	COMPLETED

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2.d	Does the Audit Committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	This requirement will be made specific in covering report to Committee 25/06/08	Sarah Dennis	June 2008	The Committee considered this at the June meeting in the report on Annual Governance Statement.	COMPLETED
2.f	Has the Audit Committee (with delegated responsibility) or the Full Council adopted 'Managing the Risk of Fraud – Actions to Counter Fraud and Corruption'?	Internal audit review of compliance with this framework will be reported back to Committee 25/06/08	Sarah Dennis	June 2008	The work is substantially complete. The report will be brought to the September Audit Committee meeting alongside the annual review of the Anti-fraud and corruption strategy.	ONGOING
2.g	Does the Audit Committee ensure that the 'Actions to Counter Fraud and Corruption' are being implemented?	See 2.f			(as 2.f)	ONGOING
3.b	Does the Audit Committee consider specifically: <ul style="list-style-type: none"> • the suitability of accounting policies and treatments • major judgements made • large write-offs 	This requirement will be made specific in covering report to Committee 25/06/08	Rob Carr	June 2008	The Committee considered this at the June meeting in the Statement of Accounts 2007/08 report. Also, the subject was covered at the Audit Committee Training Session on Thursday 12 June 08 to which all	

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	<ul style="list-style-type: none"> • changes in accounting treatment • the reasonableness of accounting estimates the narrative aspects of reporting? 				Committee Members were invited.	COMPLETED
3.e	Does the Audit Committee annually review the accounting policies of the authority?	This requirement will be made specific in covering report to Committee 25/06/08	Rob Carr	June 2008	(as 3.b above)	COMPLETED
3.f	Does the Audit Committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Procedures will be explained in an appendix to report to Committee 25/06/08	Rob Carr	June 2008	(as 3.b above)	COMPLETED
5.d	Does the Audit Committee ensure that officers are monitoring action taken to implement external audit recommendations?	Progress to be reported along similar lines to actions arising from internal audit work	Sarah Dennis	September 2008	To be accommodated through implementation of audit management software.	ONGOING

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5.e	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit and inspection letter?	Needs to be strengthened – Audit Commission reports are now automatically presented, but needs extending to other inspection agencies (ALL ACTION POINTS)	Sarah Dennis	September 2008	Work to identify the appropriate reports to come to the Audit Committee, is progressing.	ONGOING
MEETING HELD ON 25 JUNE 2008						
3. <u>Audit Commission: Annual Audit and Inspection Letter 2006/07</u> (Item 6 on 27 March agenda)	<p>Previous concerns raised under this item had been addressed and the item noted as 'Completed' on the previous Progress Monitoring Report.</p> <p>However, at the June meeting, the issue of the relationship with Standards and Governance Committee was raised again in the light of the new regulation stipulating that the Chair of Standards and Governance must be an Independent Panel Member.</p>	<p>That the possibility be investigated of the Executive Director of Resources and the Chief Internal Auditor attending Standards & Governance Committee Chairman's Briefings. (ACTION POINT)</p>	Democratic Services	asap after meeting	Dates of Chairman's Briefing Meetings for the Standards & Governance Committee for the 2008/09 Municipal Year have been confirmed and were circulated to the Executive Director of Resources and the Chief Internal Auditor on 12/08/08.	COMPLETED

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4. <u>Statement of Accounts 2007/08</u> (Item 10 on the agenda)	Members expressed the wish to better understand and identify occurrences of slippage on capital projects.	'that within the risk assessment of capital projects consideration be given to the impact of project slippage'. (MINUTE NO. 7 (v))	Executive Directors	asap after meeting	This requirement is made clear in the Council's Project Management Guidelines.	COMPLETED
5. <u>Review of the Effectiveness of the System of Internal Audit</u> (Item 12 on agenda)	On the subject of risk assessments, Members requested information regarding access to Risk Registers.	Clarification to be provided regarding Member requests for access to Risk Registers. (ACTION POINT)	Legal and Democratic Services	asap after mtg	Any request for information made by a Member to an Officer will be met in accordance with the legal and other obligations set out in the Officer/Member Protocol, which lay out the rights that members have (and do not have) to information.	COMPLETED
6 <u>Risk Management Strategy and Action Plans</u> (Item 13 on the agenda)	Members requested a further amendment to Page 6 of the 'Risk Management Strategy' document: that the Member jointly championing the processes for embedding risk management throughout the Council, be named by title.	'the Member having joint responsibility with the Section 151 Officer for championing the processes for embedding risk management throughout the Council, be named by title as follows:- Cabinet Member for Resources and Workforce Planning'. (MINUTE NO. 10 (iv)(a))	Carolyn Williamson/ Peter Rogers	asap after mtg	Page 6 of the 'Risk Management Strategy' document amended accordingly.	COMPLETED

Title of Agenda Item	Concern/Cause	Action Proposed	Responsibility	By when	Action Taken	Status
7. <u>Internal Audit: Status of Work – May 2008</u> (Item 15 on the agenda)	<u>Decent Homes Transformational Programme (25/01/08)</u> Members sought reassurance about progress on this programme.	Information about the new staffing structure in place for July to be provided to Members. (ACTION POINT)	Bryn Shorey, Head of Decent Homes	asap after mtg/ Sept	Information was emailed to Committee Members on 30/7/08. Progress against outstanding actions and furtherance of the proposed management structure will be reported through the 'Status of Work' report to the September Audit Committee.	ONGOING
	<u>Data Management – Child Protection Records</u> Members sought reassurance on the timescale for delivery of the Paris software changes.	Dates of proposed Management actions to be provided to Members. (ACTION POINT)	Sue Allan, Head of Service: Commissioning, Performance & Planning	asap after mtg/ Sept	Information was emailed to Committee Members on 30/7/08. Further progress against this action will be reported through the 'Status of Work' report to the September Audit Committee.	ONGOING
8. <u>Schools Audit Policy</u> (Item 16 on the agenda)	Members sought clarification on whether legal responsibility for meeting the Financial Management Standard in School (FMSiS) lay with a school's governing body or with the local authority. (Clause 2.2 of the 'Schools Audit Policy')	Clarification to be provided to Members about where the legal responsibility resides for ensuring that the Financial Management Standard in Schools (FSMiS) is met. (ACTION POINT)	Neil Pitman	asap after mtg	Information was emailed to Committee Members on 30/7/08.	COMPLETED