

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Audit and Governance Committee **Date:** 27 June 2013

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.35 - 9.30 pm

Members Present: A Watts (Chairman), R Thompson (Vice-Chairman), C Finn, Ms H Kane and Mrs M Peddle

Other Councillors: C Whitbread and Ms S Stavrou

Apologies: -

Officers Present: R Palmer (Director of Finance and ICT), G Chipp (Chief Executive), B Bassington (Chief Internal Auditor), I Willett (Assistant to the Chief Executive), P Seager (Chairman's Secretary) and G J Woodhall (Democratic Services Officer)

1. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

Article 11.7(a) of the Constitution stated that the Chairman and Vice-Chairman should be appointed by the Committee at its first meeting of the new municipal year. Therefore, the Director of Finance & ICT opened the meeting and requested nominations for the role of Chairman. Following his acceptance by the Committee, a nomination was requested by the Chairman for the role of Vice-Chairman.

Resolved:

- (1) That Councillor A Watts be elected Chairman of the Audit & Governance Committee for the 2013/14 municipal year; and
- (2) That R Thompson be elected Vice-Chairman of the Audit & Governance Committee for the 2013/14 municipal year.

2. WEBCASTING INTRODUCTION

The Chairman reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

3. DECLARATIONS OF INTEREST

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

4. MINUTES**Resolved:**

(1) That the minutes of the meeting held on 7 February 2013 be taken as read and signed by the Chairman as a correct record.

5. MATTERS ARISING

There were no matters arising from the previous meeting for further consideration.

6. GRANT THORNTON LOCAL GOVERNANCE REVIEW 2013

The Director of Finance & ICT presented the annual review of governance in Local Government, "Improving Council Governance, a slow burner", compiled by Grant Thornton.

The Director reported that, although the research was based on County Councils, there were a number of valid points within the report for consideration by the District Council. The first key message was that Local Government was enduring a period of sustained pressure and effective, embedded governance frameworks would be essential if Councils were to meet the current challenges whilst retaining the support of their stakeholders. Good governance was essential to both Council Leaders and the public; it supported Leaders in making the right decisions and inspired confidence in the public that decisions were being taken for the right reason, which protected the quality of service and ensured public money was spent wisely. The review had focused on two aspects of governance: the public face, i.e. the documents published, and 'behind the scenes' evidenced by the processes.

For the public face of governance, the review found that Councils presented information to its stakeholders in many ways through official documents, public meetings and their websites for example, but there remained scope for improvement in their communication with local residents. Many members of the public found official documents such as the annual accounts or explanatory forewords too complex to understand, and documents such as the Annual Governance Statement followed the CIPFA guidance too rigidly. It was felt that good Council governance should be more than publishing statements of compliance; it was about ensuring the Council was aligned to achieving its strategic goals effectively and ethically. The publication of modern, web enabled annual reports offered a possible solution to increase transparency and accountability.

For the 'behind the scenes' facet of governance, the review found that Councils should ensure governance frameworks were fit for purpose and limited resources were focused on the areas of greatest risk. It was good practice for Leaders to set the right tone, embedding core values and principles throughout the organisation. However, the findings of the review suggested that Councils still had much work to do to embed effective governance processes throughout the organisation. The best Councils would prioritise and direct finite governance resources to the areas of most significant risk.

The Committee acknowledged that some of the statements produced by the Council were difficult for the public to understand, although it was felt that the Director of Finance & ICT's introduction to the Statutory Statement of Accounts was a good example of trying to make a technical document more understandable for the public. It was felt that the Annual Governance Statement could be made more informative for the public; the structure could be shorter and better understood by the public. It

was generally agreed that the Council needed to investigate different mechanisms with which to engage the public as they were unlikely to read lengthy, formal reports and statements.

The Committee suggested that the five questions to ask Departmental Managers, listed on page 32 of the agenda, should be used by the Internal Audit Unit when they conducted the next Risk Management audit. It was also felt that the ten questions Boards should ask, listed on the following page, should be considered by the Committee at a future meeting.

Resolved:

(1) That the 2013 review of Local Government Governance, "Improving Council Governance, a slow burner", produced by Grant Thornton be noted.

7. DRAFT AUDIT PLAN 2013-14

The Chief Internal Auditor presented the draft Audit Plan for 2013/14.

The Chief Internal Auditor reported that the draft Audit Plan for 2013/14 included all fundamental financial systems, to provide assurance to Management and Members that there were controls in place for good financial management. Also included were any high risk financial areas identified by the Corporate Risk Register, a contingency provision for investigations and other unplanned work during the year, and time allocated to fraud prevention and detection. Progress against the Plan would be monitored by the Committee on a quarterly basis, and any proposed amendments would be subject to the Committee's approval.

The Chief Internal Auditor advised the Committee that, following consultation with Service Directors, the Corporate Governance Group and the External Auditors, the draft Audit Plan had been presented to the Finance and Performance Management Cabinet Committee on 21 March 2013, but no specific issues were raised.

Resolved:

(1) That the draft Internal Audit Plan for 2013/14 be approved.

8. EFFECTIVENESS OF THE ARRANGEMENTS FOR RISK MANAGEMENT

The Director of Finance & ICT presented a report on the effectiveness of the Council's arrangements for Risk Management.

The Director reminded the Committee that its terms of reference included the consideration of the effectiveness of the Council's Risk Management arrangements. This contrasted with the role of the Finance and Performance Management Cabinet Committee, which was required to advise and make recommendations to the Cabinet on Risk Management and Insurance issues. Due to the greater priority given to completing the financial systems audits, the internal audit of Risk Management scheduled for 2012/13 would now be take place early in 2013/14; the internal audit of this area in 2011/12 had concluded with an assessment of "Substantial Assurance".

The Director reported that that the internal arrangements for Risk Management had not changed during the year. Each Directorate had a nominated 'Champion' for Risk Management, usually at Assistant Director level, who represented their Directorate at the Risk Management Group (RMG). All Directorates were required to have a section in their Business Plan on Risk Management. The report gave details of the main

changes to the Corporate Risk Register that had been agreed by the Finance & Performance Management Cabinet Committee during 2012/13; the format of the risk matrix had been amended as requested by the Cabinet Committee.

In response to questions from the Committee, the Director explained that a number of risks had been combined where there was synergy and it was considered appropriate. For risk 3, Potential Difficulty producing the Local Plan to Timetable, the Local Plan Cabinet Committee monitored production of the Local Plan; there was uncertainty about the involvement of the Planning Services Scrutiny Panel in the production of the Local Plan and this would be reported back to members after the meeting.

The Committee enquired as to whether Risk Management formed a fundamental part of all staff Personal Development Reviews. The Director responded that it would for the Chief Internal Auditor and all Directors, but would not form a part of the majority of staff Personal Development Reviews. The Assistant to the Chief Executive clarified the staff responsibilities for Risk Management as outlined in the Constitution (pages K36 & K37). It was suggested that Risk Management should be discussed at all staff Personal Development Reviews to embed Risk Management within the Council.

Resolved:

(1) That the Council's arrangements for Risk Management be considered effective.

9. REPORTS OF THE EXTERNAL AUDITOR

The External Auditor presented two reports to the Committee, the first being the Audit Plan for 2012/13, which summarised the work that would be undertaken in respect of the 2012/13 financial year, and the second was the Planning Letter for 2013/14, which set out the proposed fees and programme of work for 2013/14 financial year.

In respect of the Audit Plan for the 2012/13 financial year, the External Auditor reported that the audit was designed to respond to significant risks where additional resources would be concentrated to provide an opinion on the financial statements and the Value for Money conclusion. The proposed audit fee for the year was £85,329 plus VAT, and the proposed fee for the certification of claims and returns was £31,850; both fees agreed with the scale fee published by the Audit Commission. It was highlighted that the fee for the 2012/13 financial year audit was lower than the previous year, which reflected the Audit Commission's outsourcing of its in-house Audit Practice and internal efficiency savings at the Audit Commission.

The External Auditor informed the Committee of the expected key outputs from the audit:

- a detailed report on the findings from the audit in September 2013;
- an opinion on the financial statements by 30 September;
- a Value for Money conclusion by 30 September 2013;
- an assurance statement on the Whole of Government Accounts by 4 October 2013;
- a summary of findings from the audit in the Annual Audit Letter in October 2013; and
- the results of the Grant Claims and Returns certification work in January 2014.

The External Auditor had highlighted the implementation of the CIPFA Property Management System as an issue, but this was not currently considered a significant audit risk. The Director of Finance & ICT stated that the new system had been populated with the requisite data and it would be used as part of the production of the Statutory Statement of Accounts for 2013/14.

With regard to the Planning Letter for 2013/14, the External Auditor reported on the proposed fees and programme of work for the 2013/14 financial year, and stated that the focus of the planned work would be on the audit of the financial statements and the Value for Money conclusion. The proposed audit fee for 2013/14 was £85,329 plus VAT, and the proposed fee for the certification of claims and returns was £28,100 plus VAT. The certification scale fee had been reduced from the proposed fee for 2012/13 as it had been based upon the actual adjusted fee charged for 2011/12; it was highlighted that certification fees tended to vary from year to year as it was dependent on the complexity of the issues identified for the Housing and Council Tax Benefit claims.

The planned outputs for 2013/14 were as follows:

- an Audit Plan in January 2014;
- the Annual Governance Report in September 2014;
- the Auditor's report with opinion on the financial statements and Value for Money conclusion in September 2014;
- the Auditor's report and Assurance Statement on the Whole of Government accounts in September 2014;
- the Annual Audit Letter in October 2014; and
- the Grant Claims and Returns Certification report in January 2015.

The Committee noted the retirement of the External Auditor's previous Lead Engagement with the Council and thanked him for his work over the last six years, particularly the sensitivity that was always shown when dealing with any issues that arose.

Resolved:

- (1) That the following reports from the External Auditor be noted:
 - (a) the Audit Plan for 2012/13; and
 - (b) the Planning Letter for 2013/14.

10. OFFICER DELEGATION - PROCESS REVIEW

The Assistant to the Chief Executive presented a report, which arose from a request by the Council at its meeting on 23 April 2013, for this Committee to conduct a process review concerning the approval of Officer delegation.

The Assistant to the Chief Executive stated that the current process involved an annual review of Officer delegations. Directorates were invited to submit proposals for revisions to existing delegations to an Officer Working Group, chaired by the Assistant to the Chief Executive. Generally, the number of such proposals was small each year. These proposals were then submitted to the Constitution & Member Services (CMS) Scrutiny Panel for consideration. Some proposals were declined, but the majority went forward for final approval by either the Council or the Leader, after which the Constitution was updated accordingly. Delegation of non-executive functions was submitted for approval at the Annual Council meeting, whilst the delegation of executive functions was approved by the Leader and reported to the

Council for information purposes. In a small number of cases, authority could be directly delegated to Officers by either the Council, Cabinet or individual Portfolio Holders on certain matters, usually as part of a wider decision.

The Assistant to the Chief Executive stated that the current system relied on exception reporting arrangements, and there was a perceived lack of Member involvement. One option was to review all delegations on an annual basis, not just via exception reports, by the CMS Scrutiny Panel. Another option was to set up a new Constitution Panel to review Officer delegations and report directly to the Council or Leader (the current system had the CMS Scrutiny Panel reporting to the main Overview & Scrutiny Committee first). The Committee was invited to report back to the Council with its views on the matter.

The Chairman commented that the CMS Scrutiny Panel only saw a list of the proposed changes; the full list of delegations was usually passed by the Council without debate. There were several hundred delegations in operation at the current time, and the Chairman accepted that they could not all be reviewed at the same time, but proposed that a three-year rolling programme to review all Officer delegations by Members, including the delegation of executive functions as well, be recommended to the Council.

In response to questions from the Committee, the Assistant to the Chief Executive clarified that some of the Officer delegations were periodically agreed by the Cabinet and there was no issue with these as the majority were related to a particular portfolio. Generally, it was felt that Members liked the current system of exception reporting. The Chief Executive added that all Officer delegations had been approved by Members at some point, and that Officers were probably best placed to recommend the required delegations before final approval by Members.

The Committee felt that there was a danger of creating extra work to review all the existing Officer delegations, as most of these would have been concerned with routine business functions to enable the Council to operate efficiently. It was also felt that the current system was favoured by Members and the Executive Officers were the most appropriate people to review the suggested changes to Officer delegations each year. It was suggested that consideration should be given to the Chief Executive chairing the Officer Review body, and that Cabinet Members should review the current delegations in operation for their Portfolios, but that the status quo should be retained with the current process recommended to the Council for continuation.

Resolved:

(1) That the retention of the current process for reviewing the delegation of authority to Officers be recommended to the Council.

11. APPOINTMENT OF CO-OPTED MEMBER

The Assistant to the Chief Executive presented a report on the appointment of a replacement Co-Opted member for the Audit & Governance Committee.

The Assistant to the Chief Executive outlined the proposed process for filling the vacancy for a Co-Opted member of the Audit and Governance Committee, which would occur with effect from 13 September 2013. It had been suggested that an interview panel be established, with the authority to appoint a preferred applicant following public advertisement. The Committee was also requested to consider the issues of:

- (a) the terms of reference, membership and delegated powers of the proposed Panel;
- (b) the eligibility criteria which would apply;
- (c) the timetable for recruitment and advertising of the vacancy; and
- (d) the involvement of the other Co-Opted member of the Committee in the process.

The Vice-Chairman of the Committee, who was the other Co-Opted member of the Committee, stated that he was content to attend the Interview Panel in an advisory capacity, but would not want to be a voting member. The Chairman added that he felt it would be inappropriate for any member of the Audit & Governance Committee to be on the Interview Panel, and that any member of the Cabinet or any Portfolio Holder Assistant with financial responsibilities should also be excluded. The Chairman also ventured that the vacancy should be advertised on the Council website, and consideration should also be given to advertising the vacancy on social media such as the 'LinkedIn' site.

The retiring Co-Opted member stated that an Interview Panel of three members would be adequate – five would be too many – and that the Chairman of the Audit & Governance Committee should be involved as one of the three principals. The Committee was advised that it needed to consider how to find the right people rather than how to advertise the position. Members of the public would not be actively seeking this type of role, therefore the Council needed to cultivate its contacts with big companies, in or out of the City of London, to promote the role as a professional development opportunity for its staff.

The Chairman noted the consensus of the Committee that the Interview Panel should consist of three Members, of which one should be the Chairman of the Audit & Governance Committee. The Leader of the Council agreed that three was a sensible number for the Interview Panel and undertook to discuss this with the other Group Leaders to ensure agreement at Council. It was also agreed that the other Co-Opted member should attend the Interview Panel but only in an advisory capacity.

The Committee considered the advertising of the position, and agreed that it was important to attract people with the right skill set. Aside from the Council's website, the position should also be advertised in different appropriate media, including large, local businesses. It was suggested that Governors of local schools should also be considered for the position.

Recommended:

- (1) That a report be submitted to the Council for the appointment of a new Co-Opted Member of the Audit & Governance Committee, with the following recommendations:
 - (a) that an Appointment Panel be appointed to undertake interviews, following public advertisement, for the vacancy of a Co-Opted Member of the Audit & Governance Committee, which would occur with effect from 13 September 2013;
 - (b) that the Appointment Panel be comprised of three Members, one of which should be the Chairman of the Audit & Governance Committee, to be determined by the Council;

(c) that the Vice-Chairman of the Audit & Governance Committee, being the other Co-Opted Member, be appointed as a fourth member of the Appointment Panel but in a non-voting capacity; and

(d) that authority be delegated to the Panel to appoint their preferred candidate following the conclusion of the interviews;

Resolved:

(2) That the position for a new Co-Opted Member be advertised on:

(a) the Council's website;

(b) appropriate social media, such as 'LinkedIn';

(c) the Council's 'Forester' magazine; and

(d) local newspapers; and

(3) That the preparation and content of the recruitment pack be delegated to Officers, in consultation with Members of the Committee.

12. INTERIM REPORT ON THE REVIEW OF OVERVIEW AND SCRUTINY

The Assistant to the Chief Executive presented an interim report on the review of the Council's Overview & Scrutiny function, being undertaken by a Task & Finish Panel.

The Assistant to the Chief Executive stated that the review had been commenced due to a degree of dissatisfaction amongst Members about whether the Council's Overview & Scrutiny function was maximising its role. Members wanted better liaison with the Cabinet and a higher public profile for the Council's Overview & Scrutiny function. Concerns had also been expressed about the training opportunities available and performance issues. A new budget review timetable was being formulated, and it had been proposed that the review of the Council's Key Performance Indicators should be coordinated through the Finance & Performance Management Scrutiny Panel. At its meeting on 6 June 2013, the Audit & Governance Committee was requested to consider the governance aspects of the proposals being put forward.

The Chairman emphasised that Overview and Scrutiny was an important part of the Council's governance process and had concerns about particular areas of the Council's Scrutiny function, but acknowledged that the current review was of the general process. The Vice-Chairman felt that there should be better liaison between this Committee and Overview & Scrutiny, and that any further reports should contain more context. The Assistant to the Chief Executive acknowledged that an important part of the review was to give Members involved with Overview & Scrutiny a more worthwhile role.

Resolved:

(1) That the interim report on the review of the Council's Overview & Scrutiny function be noted.

13. INTERNAL AUDIT MONITORING REPORT - JANUARY TO MARCH 2013

The Chief Internal Auditor presented the Internal Audit Monitoring Report for the final quarter of 2012/13, which provided a summary of the work undertaken by the Internal Audit Unit between January and March 2013. The report detailed the overall performance to date against the Audit Plan for 2012/13 and also allowed the Committee to monitor the progress of Priority 1 actions issued in previous audit reports.

The Chief Internal Auditor advised the Committee of the audit reports that had been issued during the period:

- (a) Full Assurance:
 - None.
- (b) Substantial Assurance:
 - Sundry Debtors;
 - Creditors;
 - Treasury Management;
 - Council Tax;
 - National Non Domestic Rates;
 - Overtimes and Committee Allowances;
 - Commercial Property Management;
 - General Ledger; and
 - Building Control.
- (c) Limited Assurance:
 - None.
- (d) No Assurance:
 - None.
- (e) At draft report stage:
 - Housing Benefits;
 - Payroll;
 - Housing Tenancy and Allocations;
 - Housing Rents; and
 - Procurement Fraud Prevention and Detection.

The Committee's attention was drawn to the Outstanding Priority 1 Actions Status report, all of which would be reviewed in follow-up audits, and the Limited Assurance Audit Follow Up Status report. It was also noted that the Audit Plan for 2012/13 had been appended to allow the Committee to monitor progress against the Plan.

The Chief Internal Auditor reported upon the current status of the Internal Audit Unit's Local Performance Indicators for 2012/13:

- | | | |
|------------------------------|-------------|------------------|
| • % Planned Audits Completed | Target 90% | Actual 85%; |
| • % Chargeable Staff Time | Target 72% | Actual 69%; |
| • Average Cost per Audit Day | Target £245 | Actual £243; and |
| • % User Satisfaction | Target 85% | Actual N/A. |

The Chief Internal Auditor explained that no figure had been given for the User Satisfaction Indicator as it had become increasingly difficult to encourage Officers to provide any meaningful comments. A replacement electronic form was being developed for use from April at the start of the new Audit Plan. A member of staff had

spent some time in hospital and had returned to work on a phased return during February. This had resulted in a little slippage with the Audit Plan, but the review of the fundamental financial systems had been substantially completed by the end of the financial year – as required by the external Auditors.

In respect of the outstanding Priority 1 actions, the Chief Internal Auditor reported that the work required for the reconciliation of both Planning fees income and Licensing fees income had now been completed. For the Licensing fees, a new member of staff had been recruited and they were performing the reconciliations. The further work required for Legal Debt Recovery would be progressed when the Senior Legal Officer returned from compassionate leave.

Resolved:

(1) That the following issues arising from the Internal Audit Monitoring Report for the final quarter of 2012/13 be noted:

- (a) the Audit reports issued between January and March 2013 and significant findings therein;
- (b) the Priority 1 Actions Status Report;
- (c) the Limited Assurance Audit Follow-Up Status Report; and
- (d) The 2012/13 Audit Plan Status Report.

14. INTERNAL AUDIT ANNUAL REPORT 2012/13 AND REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

The Chief Internal Auditor introduced a report on the Internal Audit Annual Report 2012/13 and the review of the effectiveness of the system of Internal Audit.

The Chief Internal Auditor stated that this report had been presented in support of the Internal Audit opinion on the adequacy of the Council's internal control environment. It provided a summary of the work undertaken by the Internal Audit Unit and detailed the overall performance against the Audit Plan for 2012/13. The Accounts and Audit Regulations included a requirement for the Council to carry out an annual review of the effectiveness of its system of internal audit as part of the wider review of the effectiveness of the system of governance. A review had been undertaken by the Corporate Governance Group and was presented to the Committee to assist it with assessing the effectiveness of the system of internal audit on behalf of the Council.

In respect of Performance Management for the year, the Chief Internal Auditor informed the Committee that the final figures for both the planned audits completed (85% against a target of 90%) and the percentage of chargeable staff time (69% against a target of 72%) had been below target. This was due to the long-term sickness of a member of staff, who had now fully returned to work, and study days for a member of staff who had been studying for a professional qualification. No figure was given for the User Satisfaction performance as it had been increasingly difficult to encourage users to return the form with any meaningful comments. A new on-line form had been developed for use in 2013/14 with the new Audit Plan and it was hoped for a better response in the future.

The Chief Internal Auditor reported that the Internal Audit Section could demonstrate that it had a good understanding of the functions of the Council and had achieved the Council's objective to identify improvements to its control systems. The performance

of the Unit had remained close to its key targets and all fundamental financial systems were examined and reported on. The Council's External Auditors were able to place reliance on the work of Internal Audit when conducting their formal review of the Team's work as part of their review of the 2011/12 accounts.

The Chief Internal Auditor stated that, in his opinion, the Council had in place a satisfactory framework of internal control, which provided reasonable assurance regarding the efficient and effective achievement of its objectives in 2012/13. Consequently, having considered all the issues, the Corporate Governance Group was satisfied that the Council's system of Internal Audit had been effective during 2012/13.

Resolved:

- (1) That the Audit Plan Status Report for 2012/13, as at 31 March 2013, be noted;
- (2) That, in the context of the Council's Governance Statement, the review of the effectiveness of the system of internal audit for 2012/13, as undertaken by the Corporate Governance Group, be noted; and
- (3) That the satisfaction of the Committee with the effectiveness of the system of internal audit during 2012/13 be confirmed.

15. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT - 2012/13

The Chief Internal Auditor presented the Audit & Governance Committee's Annual Report for 2012/13.

The Chief Internal Auditor reminded the Committee that its Terms of Reference required an Annual Report to be submitted to the Council each year. The Annual Report, as drafted by Officers, reviewed the work of the Committee throughout the 2012/13 municipal year and had concluded that sustained improvement in the Council's internal control environment was evidenced by a reduction in both the number of audits given a Limited Assurance and the number of high priority recommendations arising from the audit reports. The Committee was invited to comment upon the draft and it was proposed that any substantive changes be agreed with the Chairman and Vice-Chairman before the final submission of the report to the Council.

The Committee welcomed the report and thanked the Vice-Chairman for his contribution in reviewing the report with Officers prior to its consideration at the meeting.

Resolved:

- (1) That the draft Annual Report of the Audit & Governance Committee for 2012/13 be agreed; and
- (2) That the Chairman and Vice-Chairman of the Committee be authorised to agree any substantive changes to the final draft of the report prior to its submission to the Council.

16. ANNUAL GOVERNANCE STATEMENT 2012/13

The Chief Internal Auditor presented a report on the Annual Governance Statement

for 2012/13.

The Chief Internal Auditor stated that the Council's Statutory Statement of Accounts had been prepared in accordance with the Accounts and Audit Regulations 2011. Within the Regulations, and in accordance with defined 'proper practice', there was a mandatory requirement to publish an Annual Governance Statement (AGS). The arrangements were designed to provide the Authority with assurance regarding the adequacy of its governance arrangements, and identifying where those arrangements needed to be improved. The Statement was also partly derived from detailed reviews by all Service Directors on the effectiveness of the governance arrangements within their areas.

The Committee was satisfied with the Statement and its content, but requested that a further comment be added to the 'Review of Effectiveness' section stating that the Council had relied upon the information provided by the external bodies in its key partnerships. It was also proposed that the final version of the Statement be agreed by the Chairman and Vice-Chairman if any substantive changes were required following the meeting.

Resolved:

- (1) That the draft Annual Governance Statement for 2012/13 be approved; and
- (2) That the Chairman and Vice-Chairman of the Committee be authorised to agree any substantive changes to the final draft of the Statement prior to its inclusion in the Statutory Statement of Accounts.

17. AUDIT AND GOVERNANCE WORK PROGRAMME - 2013/14

The Committee considered a programme of reports for its meetings scheduled throughout 2013/14. The Chairman stated that a similar system was in operation for the Constitution & Member Services Scrutiny Panel and this would be a useful reference tool for forthcoming meetings. It was requested that this programme should be a standing item early in the agenda for each meeting in the future.

The Committee welcomed the production of the Work Programme and commented favourably on its simplicity. It was requested that two further items be added to the Work Programme:

- (i) a review of the Internal Audit Business Continuity Plan; and
- (ii) a report on Due Diligence of Contracts, with particular emphasis on the Council's Leisure and Bailiff contracts.

The Chief Internal Auditor reported that it was intended to produce the Due Diligence of Contracts report for the Committee's next meeting in September, and the report on the Business Continuity Plan was scheduled for November.

Resolved:

- (1) That the Audit & Governance Work Programme for 2013/14 be noted; and
- (2) That the following items be added to the Work Programme:
 - (a) Due Diligence for Council Contracts – 23 September 2013; and

(b) Internal Audit Business Continuity Plan – 28 November 2013.

18. ANY OTHER BUSINESS

The Committee noted that there was no other urgent business for consideration.

The Chairman highlighted that this was the last meeting for M Peddle, one of the independent members. On behalf of the Committee, the Chairman thanked M Peddle for her hard work as a member of the Committee for the last 6 years, and wished her every success in her future ventures.

CHAIRMAN