

SOUTH DOWNS NATIONAL PARK AUTHORITY Agenda Item 4

MEETING OF AUDIT COMMITTEE MEETING HELD ON 18 JANUARY 2012

Held at Capron House, Midhurst, at 10.30am

Present:

Sebastian Anstruther	Norman Dingemans	Ken Hunt (independent Member)
Mark Kemp-Gee	Sue Saville	Lewis Doyle (independent Member)
Margaret Paren (ex-officio)	Charles Peck (ex-officio)	

Officers: Catherine Vaughan (Chief Finance Officer), Trevor Beattie (Chief Executive Officer), Helene Rossiter (Director of Corporate Services), Fiona MacLeod (Member Services Manager), Mark Dallen (Audit Manager) and Louise Read (Deputy Monitoring Officer)

APOLOGIES

44. Apologies were received from Susan Seward. Sue Saville was welcomed as a new Member of the Committee.

ELECTION OF COMMITTEE DEPUTY CHAIR

45. As there were no nominations for the role of Deputy Chair, Members agreed to defer the election.

DECLARATIONS OF INTEREST

46. None.

MINUTES

47. The minutes of the Audit Committee meeting held on 27 September 2011 were approved and signed as a correct record by the Chair.

URGENT MATTERS

48. None.

PUBLIC PARTICIPATION

49. The member of the public present did not wish to speak.

CORPORATE RISK REGISTER

50. The Committee considered a report from the Director of Corporate Services (Report AC 01/12) presenting the South Downs National Park Authority (SDNPA) Corporate Risk Register as at December 2011.

Unconfirmed minutes – to be confirmed at the next meeting of the Audit Committee

51. Members' attention was drawn to the reduction in the severity of the risk associated with the implementation of the new planning system, IDOX (risk 48) following a recent Project Board meeting, and the completion of the staggered recruitment for the Strategic Management Team (SMT) and Chief Executive Officer (risk 55).
52. In response to a question regarding sufficient resources to implement major projects, the Director of Corporate Services reported that a permanent IT manager was now in post, and a permanent facilities manager would be in place in February 2012. The procurements for IT and Finance were ongoing (risk 53) and the Capron House project was progressing (risk 33) as expected.
53. The Committee asked that risks 48 and 53 be referred to the Resources & Performance Committee meeting on 8 February 2012.
54. During discussion, officers clarified the following in response to Members' questions:
- risk 37 – implementation of all Health & Safety policies was ongoing and training for staff and Members would take place in the coming months
 - risk 50 – there was contingency in the budget plans and mechanisms in place for Agency agreements as mitigation for any delays in the payments to local planning authorities post 31 March 2012
 - risk management was 'owned' by the organisation as a whole and the Risk Register was reviewed monthly by SMT
55. **Resolved:** that the Committee:
1. approves the Corporate Risk Register as at December 2011
 2. refers risks 48 and 53 for consideration by the Resources & Performance Committee at its meeting on 8 February 2012

REVIEW OF RISK MANAGEMENT STRATEGY

56. The Committee considered a report by the Director of Corporate Services (Report AC 02/12) providing an update on implementing the Risk Management Strategy in the SDNPA.
57. The Director of Corporate Services reported that formal risk and project management training for relevant staff was being arranged, and that a review of risk appetite would take place with Authority Members in the new financial year.
58. **Resolved:** that the Committee.
1. notes the report and endorses further work be carried out with Members to refine their approach to risk appetite

INTERNAL AUDIT PROGRESS AND IMPLEMENTATION REPORT

59. The Committee considered a report by the Chief Finance Officer (Report AC 03/12) who updated the Committee on the work of Internal Audit and the progress made against the Internal Audit Plan 2011/12.
60. The Audit Manager drew Members' attention to the Addendum to the report that had been circulated to Members and published on the web site (www.southdowns.gov.uk) prior to the meeting.

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61. The Director of Corporate Services advised the Committee that the report on the Major Procurement Tenders and Internal Audit Recommendations (Report AC 04/12) should provide Members with an increased level of confidence with the procurement process, which included the introduction of a Contracts Register by 31 March 2012.
62. In response to concerns that the outstanding Audit recommendations were not being addressed, the Chief Finance Officer confirmed that monthly updates on the actions taken would be provided to the Audit Committee Chair for reassurance.
63. **Resolved:** that the Committee:
 1. notes progress against the Internal Audit Plan and the implementation of recommendations previously made
 2. approves the proposed amendment to the 2011/12 Internal Audit Plan as detailed in paragraph 3.10 of the report

REPORT ON MAJOR PROCUREMENT TENDERS AND INTERNAL AUDIT RECOMMENDATIONS

64. The Committee considered a report by the Director of Corporate Services (Report AC 04/12) highlighting the progress on major Procurement tenders and addressing the recommendations made by Brighton & Hove Internal Audit. A report would be taken to the Resources & Performance Committee on 8 February 2012.
65. The Director of Corporate Services highlighted that procurement training had been undertaken with Brighton & Hove City Council. The implementation of a SDNPA Contract Register and Award Report Form by 31 March 2012 would significantly improve the procurement control environment.
66. A portion of the 14 ICT Pre Qualification Questionnaire (PQQ) submissions had been invited to complete an Invitation to Tender (ITT). A request was made that the ITT should consider the separation of key areas into definite requirements to be provided by the system provider or optional outsourcing e.g. GIS.
67. The Director of Corporate Services clarified that there would be provision for the use of Purchase to Pay (P2P) financial system in the Corporate Financial Services contract.
68. The current Legal Services contract could, if necessary, be extended post 30 June 2012 and an update on progress would be provided at the next Audit Committee meeting.
69. **Resolved:** that the Committee:
 1. notes the updated progress on major procurements across the South Downs National Park in the following areas Corporate Information, Computing and Technology (ICT), Legal Services, Financial Services and Refurbishment of Capron House.
 2. notes the progress the South Downs National Park Authority (SDNPA) is making with regard to the internal recommendations made by Brighton and Hove Internal Audit recommendations

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2010/11 ANNUAL AUDIT LETTER

70. The Committee received the 2010/11 Annual Audit Letter, which was welcomed by the Committee as a positive report.
71. **Resolved:** that the Committee:
1. notes the 2010/11 Annual Audit Letter

REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE

72. The Committee considered a report introduced by the Chief Finance Officer (Report AC 06/12) presenting an assessment of the effectiveness of the Audit Committee for consideration by Members.
73. Members' attention was drawn to the preliminary findings against the National Audit Office (NAO) "Audit Committee Self-Assessment Checklist" in Appendix 2 to the report.
74. More specific induction training on Audit Committee activities would be welcomed, in particular for the newer Committee Members, together with pre-Agenda meetings with the Committee Chair. The Chief Finance Officer would arrange a training session at next Audit Committee workshop. The Chief Finance Officer confirmed that annual refresher training for all Audit Committee Members would take place prior to the approval of the Financial Statement and Annual Governance Report.
75. It was agreed that a workshop be held to review the recommendations in paragraph 1.6 of the report, subject to the deletion of the penultimate bullet point, and a formal report on the effectiveness of the Audit Committee be taken to a future Authority meeting.
76. The Independent Members expressed a desire to have feedback on their performance as part of the Member Development Programme currently in place for Authority Members
77. **Resolved:** that the Committee:
1. considered the assessment of effectiveness of the Audit Committee and provided feedback on the issues raised
 2. subject to deletion of the penultimate bullet point, agrees the recommended actions set out in paragraph 1.6 in the report, holds a workshop to review those recommendations and reports back to a future Authority meeting
 3. implements induction training for new Audit Committee Members

DRAFT LOCAL CODE OF CORPORATE GOVERNANCE

78. The Committee considered a report from the Director of Corporate Services (Report 07/12) and introduced by the Deputy Monitoring Officer presenting the Draft Local Code of Corporate Governance for consideration by the Committee
79. Due to an oversight, the Appendix to the report had not been circulated prior to the meeting and would be emailed to Members for comments and approval. Several paper copies were available at the meeting.

Unconfirmed minutes – to be confirmed at the next meeting of the Audit Committee

80. In response to a question, the Deputy Monitoring Officer explained that, on balance, there was value in creating an inventory of statutory and policy documentation as a reference and evidence tool.
81. **Resolved:** that the Committee requests that the draft Local Code of Corporate Governance be emailed to the Audit Committee Members who will confirm whether they agree to recommend to the SDNPA:
- 1 the draft Local Code of Governance; and
 2. that delegated authority be given to the Director of Corporate Services in consultation with the Chair of the Audit Committee to make any necessary arrangements to the Local Code of Corporate Governance, ensuring that any significant amendments are reported to the Audit Committee

ITEMS FOR NEXT COMMITTEE MEETING

82. The following items would be considered for the Audit Committee meeting to be held on 17 April 2012 at 10.30am
- Risk Management Log
 - Internal Audit Plan
 - Major Procurements Update

PART 11 MINUTES

83. The Part II minutes of the Audit Committee held on 27 September 2011 were approved and signed as a correct record by the Chair.

CHAIR

The meeting closed at 12:46pm