

EAST DORSET DISTRICT COUNCIL

AUDIT COMMITTEE

Minutes of the Meeting held on 3rd March, 2009 at 7.30 p.m.

Present:

Councillor P. G. Bennett - Chairman
Councillor Mrs A. Warman - Vice-Chairman

Present: Councillors P. G. Cuckston, R. C. Dudman, J. P. Holland, T. J. Palmer and
M. G. Simper.

504. Apologies for Absence

No apologies for absence were received from Councillors.

505. Declarations of Interest

There were no declarations of interest made on this occasion.

506. Minutes

The Minutes of the meeting held on 10th February, 2009 were confirmed and signed as a correct record.

507. Presentations by the Public

There were no questions, petitions or deputations received on this occasion.

RECOMMENDATION TO POLICY AND RESOURCES COMMITTEE

508. Review of Financial Regulations

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Members received the report that updated the Council's Financial Regulations. Paragraph 19.9 would be referred to the Risk Management Working Party to consider what action should be taken when a breach of information security was suspected within the ICT department.

RECOMMENDED that:

- a) **the Financial Regulations and Financial Procedures as set out in Appendix 1 be supported and forwarded to Policy and Resources Committee for approval; and**
- b) **Policy & Resources Committee authorise the Head of Benefits and Revenues Services to write off debts of up to £500.**

Voting: Unanimous

509. Changes to the Constitution

The Chief Executive submitted a report, a copy of which had been

circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

Members considered a change to the Council's constitution that created a separate Article for the Audit Committee.

RECOMMENDED that the changes to the constitution as detailed in Appendix 1 be supported and forwarded to the Policy and Resources Committee for approval.

Voting: Unanimous

510. Investment Strategy

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

Members received the report on the proposed Investment Strategy for 2009/10. The Strategy was discussed thoroughly with particular attention to the issues of credit ratings, parent companies, external advisors, building societies and government institutions.

RECOMMENDED that the Audit Committee consider the issues set out in the report on the Treasury Management Policy and comment thereon to the Policy and Resources Committee with the following;

- a) **That the Treasury Management Policy Statement be amended as follows;**
 - i. **The long term credit rating threshold as set out in paragraph (b)(ii) be amended to read “a long term rating of at least A+”;**
 - ii. **The support rating threshold as set out in paragraph (b)(iv) be amended to read “a support rating of at least 2”;** and
 - iii. **Gilts be removed from paragraph (g) on UK Government investments;**
- b) **Serious consideration be given to external treasury advisors being appointed on a joint working arrangement; and that**
- c) **Investments can be allowed in those building societies listed in the top 10 by asset values up to a £4 million limit and up to £2 million in all other building societies.**

Voting: Unanimous

511. Reference from the Risk Management Working Party - Business Continuity Policy

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

Members received a request from the Risk Management Working Party to recommend a Business Continuity Policy and noted the following amendments to the Policy:

- 1) Paragraph 5.8 – The first sentence should begin with “The decision to invoke the BCP rests with the Chief Executive or in their absence a nominated deputy based on any.....”.
- 2) Paragraph 6.3 – This paragraph had been amended to read as follows:

The criticality of services has been measured using the following weightings:

Level	Impact
1	Major risk to public health or safety
2	Medium to Major risk to council's reputation/finances
3	Medium risk to public health or safety
4	Low to Medium risk to council's reputation/finances
5	Minor risk to public health or safety

- 3) Paragraph 6.4 – This paragraph has been amended to read as follows:

The critical services will be those that as a result of a Business Impact Analysis, have scored an impact level of 1 or 2. These services (and the support for these services) will be required to support the Business Continuity Plan and their arrangements will form Part One of this Plan (Action Cards).

RECOMMENDED that the policy as set out in Appendix 1 be supported and forwarded to the Policy and Resources Committee for approval.

Voting: Unanimous

DELEGATED BUSINESS

512. Audit Follow up of Moors Valley Country Park and Queen Elizabeth Leisure Centre

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

Members received the report on the findings of the Internal Auditor as a result of the recent follow-up of the Queen Elizabeth Leisure Centre (QELC) and Moors Valley Country Park (MVCP) audit reviews.

RESOLVED that;

- a) **the auditor's opinion is supported; and that**
- b) **officers evaluate alternative providers of car park machine servicing with a view to consider putting out to tender the maintenance agreement of the car park machines at Moors Valley Country Park. This process to be concluded prior to the three month notice of termination period of the existing agreement.**

Voting: Unanimous

513. Audit Review of Tourism

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

Members considered the report on the findings of the Internal Auditor that followed the review of the systems and controls in place within the Tourist Information Centre section of the Tourism department.

RESOLVED that the auditor's opinion is supported.

Voting: Unanimous

514. Child Protection Policy

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

Members were asked to agree a method by which the Council's Child Protection Policy could be risk assessed and monitored.

Members were advised that there had been an amendment to the policy at paragraph 6.6 where the first and third bullet point would conclude with the words "if required".

RESOLVED that:

- a) **the Risk Management Working Party keep the Child Protection Policy under review to ensure its implementation is based upon a risk averse strategy;**
- b) **the Child Protection Policy becomes a standing item on the Risk Management Working Party agenda;**
- c) **the implementation of the policies and procedures detailed in the Child Protection Policy is subject to inclusion in the four year Audit Plan;**
- d) **the annual report to the Policy and Resources Committee on the implementation of the Child Protection Policy be brought first to this Committee for comment; and that**
- e) **officers give consideration to the preparation of supporting text to paragraph 6.6 of the Policy that reinforces the requirement of the educational organisation to establish the need for a CRB check based on their own risk assessment and for this council to reserve the right to decline any request for a work placement.**

Voting: Unanimous

515. Reference from the Risk Management Working Party - Corporate Risk Register and Risk Matrix

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

Members received a request from the Risk Management Working Party to

adopt a new format for the Risk Register and Risk Matrix.

RESOLVED that;

- a) **the format of the Risk Register and Risk Matrix be approved;**
- b) **a review be conducted of the definitions of risk types along with a review of the Council's risk tolerance line; and that**
- c) **further information be supplied on the definitions of impact and likelihood.**

Voting: Unanimous

516. Progress Report on Implementing Audit Recommendations

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'I' to these Minutes in the Minute Book.

Members noted the progress made by service managers in implementing recommendations agreed with both the internal and external auditors. Following advice from officers, Members updated action points up to the end of March, 2009.

RESOLVED that Members note the content of the report and agree any variations to previously agreed action dates where necessary.

Voting: Unanimous

517. Audit Programme 2008/2009

The Chief Executive submitted a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'J' to these Minutes in the Minute Book.

Members were advised on the progress against the audit timetable.

RESOLVED that the Committee approve the updated Audit Review Timetable.

Voting: Unanimous

518. Minutes of the Risk Management Working Party

The Chief Executive submitted a report for information, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'K' to these Minutes in the Minute Book.

Members noted the Minutes of the Risk Management Working Party meeting of 2 March 2009. It was agreed that in Minute 12.5, Working Party Minutes should be amended to Sub-Group Minutes

519. Council Investments

Following a request from the Chairman, Members received a confidential update on the position of Council investments as of 3rd March 2009 which revealed a total of £1.88m invested in banks and £11.5m in building societies.

The meeting ended at 10.15 p.m.

CHAIRMAN