

**AUDIT COMMITTEE
19th October, 2011**

Present:- Councillor Sangster (in the Chair); Councillors Gilding, Kaye and Sims.

An apology for absence was received from Councillor License.

P20. MINUTES OF THE PREVIOUS MEETING HELD ON 28TH SEPTEMBER, 2011

Resolved:- That the minutes of the previous meeting held on 28th September, 2011 be agreed as a correct record.

P21. AUDIT AND INSPECTION RECOMMENDATIONS UPDATE REPORT

Consideration was given to a report presented by Sue Wilson, Performance and Quality Manager, which summarised the progress against recommendations from across all key external audits and inspections of Council services.

The report was intended to provide a high level analysis of progress with a particular focus on outstanding recommendations and new inspections since the date of the last report in July, 2011.

The Audit Committee noted that since the last report there have been no new inspections or external assessments.

There were currently ten action plans relating to Inspection and Audit recommendations which were still "active" and across these action plans nine recommendations have been completed since the last report and fifteen remain outstanding

There were sixteen recommendations in relation to outstanding audit and inspection recommendations. A number had experienced some slippage against original target dates, although there were no new areas of concern.

As reported previously the following services were due inspections within the next six months:-

- Food Standards Agency Audit (NAS).
- Fostering Services (CYPS).
- Adult and Community Learning (CYPS).
- Children's Services Assessment 2011 (CYPS).
- Customer Service Excellence - Continuous Appliance Assessment November 2011 (CEX).

Performance and Quality Teams were supporting the services with their preparations for these assessments and inspections.

Discussion ensued on the inclusion of 2010 Rotherham Ltd. in the inspection plan and the reasoning behind this, along with the inspection frameworks for the specific areas.

Resolved:- That the progress achieved against outstanding actions be noted.

P22. CUSTOMER INSPECTION SERVICE

Consideration was given to a report presented by Sue Wilson, Performance and Quality Manager, which set out a summary on the Customer Inspection Service, which had been formed in Neighbourhoods and Adults Services in 2005, and had since been implemented in Children and Young People's Services and Environment and Development Services.

The Service provided information on customer experiences to help inform priority-setting and ensure that learning from service successes or failures were used to improve services and provide consistently better results in the future. Working in partnership with real Customer Inspectors contributed to positive outcomes with numerous inspectors and regulatory assessments; along with achievement of a number of unique awards and accolades.

Further information was provided on the Customer Inspectors and how the service was made up.

The Audit Committee welcomed this very informative report and its findings and asked for regular updates on progress.

Resolved:- (1) That the outcomes and future developments of the Customer Inspection Service be noted.

(2) That a progress report be submitted to the Audit Committee in six months time.

P23. MID YEAR TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS MONITORING REPORT 2011/12

Consideration was given to a report presented by Derek Gaffney, Chief Accountant, which provided a mid-year Treasury Review, as required in the Regulatory Framework of Treasury Management (2009). The report also fulfilled the requirement of the Prudential Code to ensure adequate monitoring of capital expenditure plans and activity. It also encompassed economic outlook and actual and proposed borrowing and investment.

The assumptions supporting the capital financing budget for 2011/12 and for future years covered by the Council's MTFs were reviewed in light of economic and financial conditions and the future years' capital programme.

The Treasury Management and Investment Strategy was not forecast to have any further revenue consequences other than those identified and planned for in both the Council's 2011/12 Revenue Budget and approved MTFs.

Further information was sought on future action on PFI schemes, the current position with regards to Icelandic Banks, potential for long term borrowing and the role of Audit.

Resolved:- (1) That treasury activity be noted.

(2) That the report be referred to Cabinet to consider recommending that Council approve changes to prudential indicators.

P24. CORPORATE RISK REGISTER

Consideration was given to the report presented by Andrew Bedford, Strategic Director of Finance, which set out a summary of the newly formatted Corporate Risk Register that recorded the risks associated with the Council's most significant priorities and projects and the actions being taken to mitigate the risks.

The Corporate Risk Register had recently been streamlined to emphasise the Council's most significant risks and the key actions and developments relating to these risks. The risks were displayed in descending order to emphasise the most significant risks faced by the Local Authority.

It was noted that the four inherent risks were:-

- Managing Government budget restrictions – unable to maintain key services due to budgetary limits.
- Unable to deliver effective Children's Services within budget.
- Funding of the Digital Region Project to provide comprehensive broadband facilities across South Yorkshire.
- Sustaining improvement in Children's Services post DfE intervention.

Discussion ensued and further information was provided on the potential liabilities of funding the Digital Region Project, the percentage of risk to Rotherham, why it was considered a "red" risk and the action of the four South Yorkshire Councils and the Department for Business, Innovation and Skills to ensure the ongoing viability of the project.

Resolved:- (1) That the revised Corporate Risk Register summary be noted.

(2) That the current top four corporate risks be approved.

(3) That any further risks identified be added to the Risk Register.