

**GOVERNANCE AND AUDIT COMMITTEE
29 SEPTEMBER 2009**

**AUDIT AND RISK MANAGEMENT UPDATE
(Director of Corporate Services - Finance)**

1 PURPOSE OF REPORT

- 1.1 This report provides the Governance and Audit Committee with an update on progress on risk management at the Council and on 2009/10 audit reports that have been issued with a limited assurance conclusion. Full details of progress on internal audit reviews will be included in the Head of Audit and Risk Management's six monthly report which will be presented at the next Governance and Audit Committee meeting.

2 RECOMMENDATION

- 2.1 **The Governance and Audit Committee to note.**

3 ADVICE RECEIVED FROM STATUTORY OFFICERS

Borough Solicitor

- 3.1 Nothing to add.

Borough Treasurer

- 3.2 Nothing to add.

Strategic Risk Management

- 3.3 Risks recorded in registers support risk assessment for the decision making process and it is therefore vital to ensure that the Strategic Risk Register is reviewed and updated on a regular basis .To ensure an effective and consistent approach to risk management it is important that officers receive relevant training to ensure they understand how to identify, evaluate and respond to risk.

4 SUPPORTING INFORMATION

Risk Management

- 4.1 Since this was last approved by the Executive on 16 June 2009, the Register has been updated and was considered by the Strategic Risk Management Group before being reviewed by the Corporate Management Team (CMT) on 2 September. The amendments to the Register requested by CMT have now been processed. The next review of the Register will take place in November.
- 4.2 Risk management training was provided to Members, Corporate Services senior managers and Group Accountants during 2008. The Head of Audit and Risk

Management reported to the Overview and Scrutiny Commission that further risk management training would be provided after the Risk Management Strategy and internal risk management guidance had been reviewed. Following the issue of the revised Risk Management Strategy and new Risk Management Toolkit action is now being taken to address training needs.

- 4.3 The Head of Audit and Risk Management provided a half day training course to the building surveyors on 19 August 2009. This focussed on procurement risks and a member of the Corporate Procurement Team assisted during the course. CMT endorsed the Head of Audit and Risk Management's proposal on 2 September that Departmental Management Teams should be asked to consider if they had any risk management training needs so that these could be addressed. Arrangements have now been made with the Director of Environment, Culture and Communities and Adult Social Care to provide risk management training to their senior managers in October.

Internal Audit

- 4.4 The Head of Audit and Risk Management provides detailed updates on progress against the Annual Internal Plan twice a year. The first report on the 2009/10 Plan will be presented to the next meeting of the Governance and Audit Committee. However, audits where limited assurance has been concluded should be drawn to the attention of the Committee at the earliest opportunity. At this stage, limited assurance conclusions have been reached for the following two audit reviews.

Cranbourne Primary School (Final report issued)

Limited assurance was concluded for this school due to the high number of recommendations raised including one Priority 1 recommendation. The Priority 1 recommendation was raised to address the fact that electricity had not been recharged to a pre-school since the premises contract inception in 2006. In total 19 recommendations were raised on governance and financial management, budgeting, purchasing, income, banking, payroll, assets and private funds. This included 4 agreed recommendations from previous reviews that had not been implemented. Three of these recommendations had been raised at both the 2004/05 and 2006/07 audits. These were to ensure the consistent use of official orders, to ensure contract hire agreements were completed and to ensure references are obtained for all new starters. The fourth unimplemented recommendation to ensure a master record of all policies and procedures was in place had been raised at the 2006/07 audit.

The Pines School (Draft report issued)

Management responses are still awaited on this report which concluded limited assurance due to 19 recommendations being raised including two Priority 1 recommendations. The first Priority 1 recommendation was to ensure that supply teachers are subject to the same pre-employment checks as other staff including CRB and List 99 checks. The second Priority 1 recommendation was to ensure that outstanding documentation to support the flood insurance claim should be sent to the Council's Insurance Team. The other recommendations related to governance and financial management, budgeting, purchasing, lettings and banking, payroll, assets and private funds. Three agreed recommendations raised in the last audit had not been implemented. These related to keeping evidence of receipt of goods and services, maintaining complete personnel files and ensuring inventory is up to date. One further recommendation to ensure policies and procedures were in place and were reviewed regularly was only partially implemented.

Background Papers
Strategic Risk Register
Internal Audit Reports

Contact for further information
Sally Hendrick – 01344 352092
sally.hendrick@bracknell-forest.gov.uk

Doc. Ref
G/Technical and Audit/Internal Audit/Sally/My documents/Gove and Audit Committee Reports/Head of Audit and Risk Management Update