



AUDIT COMMITTEE

14 January 2014

PRESENT:

Directors

George Clark (Chair)
Robert Buckley
Mick Davison
Eileen Gill
Helen Hall

Advisers

Jon Mallen-Beadle	Managing Director
Natalie Hewitt	Head of Corporate Services
Kevin Johnson	Head of Customer Services
Phil Gallagher	Head of Investment and Development
Jim Farquhar	Chief Internal Auditor, Gateshead Council
Deborah Clark	Audit and Risk Manager, Gateshead Council
Stuart Gibson	Governance and Risk Officer

Apologies

Peter Mole

33 MEMBERSHIP

The membership of the committee was noted.

34 APPOINTMENT OF VICE-CHAIR

RESOLVED – That Mick Davison be appointed as Deputy Chair of the Committee.

35 MINUTES

The minutes of the meeting of the committee held on 16 October 2013 were approved as a correct record.

36 MATTERS ARISING – CODE OF GOVERNANCE

The Governance and Risk Officer is still carrying out further investigations into Board Champion arrangements in other organisations and will bring a report back to the next meeting of the committee.

The Single Topic Group to consider the Induction Process is taking place on 6 February 2014 when the application form for the appointment of Independent Directors will also be reviewed.

37 OPERATIONAL RISK REGISTER – CORPORATE SERVICES AND CUSTOMERS & COMMUNITIES DIRECTORATES

An updated Operational Risk Register for the Corporate Services and Customers & Communities Directorates was submitted.

The following risk is now green and will be removed from the register and monitored internally: -

- Managers not managing sickness in accordance with Policy.

The risk register for Asset Management has been moved from the Corporate Services to Customers and Communities Register.

RESOLVED – That the updated Operational Risk Register for Corporate Services and Customers & Communities Directorates be approved, subject to: -

- Details of the members on the Risk Management Group being included in the future covering reports.
- Risk register summary sheets to include the residual impact and likelihood.
- Further consideration be given to those risk where the likelihood is rated as a '2' and whether these should actually be rated as a '1'.
- GR6 – Inability to fill vacancies or retain directors on the Board or a Board without the right mix of skills – future actions be updated to include review of Independent Director application form and single topic group looking at current induction process for new directors.
- HR5 – Risk of attack, threat and/or verbal abuse on employees by service users at any time and/or within the office in attending training or involvement events – to be updated to also include risks to directors and the controls be updated to include action the Company takes against the perpetrators.

38 2013/14 INTERNAL AUDIT PLAN – PROGRESS REPORT

Progress made by the Internal Audit Service against the audit plan for the financial year 2013/14 was reported.

As at the 31 December 2013, 93% of actual to planned hours have been completed. This is therefore well in excess of the profiled target of 73% of actual hours being completed by the end of quarter three and on course to achieve the annual target of 97.25%. This includes all time expended during the first three quarters including audits completed in relation to the previous financial year and current year audits that are in progress.

RESOLVED – (i) That the information be noted.

- (ii) That when agreeing the 2014/15 Internal Audit Plan, Internal Audit is more realistic about carrying over audits into the next year's plan and is more realistic about the targets for actual hours against planned hours and number of audit assignments completed against annual plan.
- (iii) That the co-location of staff from Keelman House to Gateshead Civic Centre be taken into consideration when completing the outstanding audits.

39 DATE AND TIME OF NEXT MEETING

The next meeting of the committee will be held on Wednesday 16 April 2014 at 2pm at Gateshead Civic Centre.

40 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with Category 4 of the Company's Access to Information Rules.