



## AUDIT COMMITTEE

13 January 2016

### PRESENT:

#### Directors

George Clark (Chair)  
Robert Buckley  
Mick Davison  
Helen Hall  
Tracy Harrison  
Peter Mole

#### Advisers

Neil Bouch	Director of Customers and Communities
Natalie Porthouse	Head of Corporate Services
Phil Gallagher	Head of Investment and Development
Stuart Gibson	Governance and Risk Officer

#### Also in attendance

David Johnson	Chief Internal Auditor, Gateshead Council
Jane Wright	Audit and Risk Manager, Gateshead Council

#### Apologies

Joachim Mouanda Moussounda

### 39 MINUTES

The minutes of the meeting of the committee held on 14 October 2015 were approved as a correct record.

### 40 MATTERS ARISING – RISK MANAGEMENT POLICY

The Company could not find any specific guidance from the HCA around data assurance but was satisfied that it had appropriate controls in place to guarantee the integrity of its data presented to the Board.

### 41 OPERATIONAL RISK REGISTER

The committee received an updated Operational Risk Register for Corporate Services and Customers & Communities Directorates.

The following risks have been updated to green risks and will be monitored internally: -

- Finance – Incorrect treatment of VAT could lead to fines and interest payments to HMRC

- Governance – Inability to fill vacancies or retain directors on the Board or a Board without the right mix of skills.

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

- (i) Consideration of whether a risk was required around cyber fraud.
- (ii) Resources Committee considering whether a separate risk was required around absence due to stress.
- (iii) The score of the following risks be reconsidered to determine whether the current likelihood should be reduced: -
  - FI1 – Increasing occurrence and cost of third party insurance claims
  - HS2 – Unsafe working practices on increasing number of decommissioned sites across the borough
  - HR2 – Personal injury claims for employees
  - PF1 – Inaccurate performance reporting through inaccurate working papers

#### **42 2015/16 INTERNAL AUDIT PLAN – PROGRESS REPORT**

Progress made by the Internal Audit Service against the audit plan for the financial year 2015/16 was reported.

As at 31 December 2015, 10 final reports and three draft report have been issued with three further audits in progress.

An additional audit report has been issued that was not included in the Audit Plan, this finding arose during an audit of Gateshead Council's Right to Buy Service. This audit has not been included in the performance figures.

The Committee expressed concern about validity of the performance indicators. It was noted that Internal Audit was looking to review all the current indicators and introduce new indicators related to outcomes from 2016/17.

The committee was advised why it was not possible to bring some internal audit reports to this committee as originally scheduled.

RESOLVED – That the progress to date with the 2015/16 Internal Audit Plan be noted.

#### **43 FORWARD PLAN**

A forward plan of reports which will be presented to Audit Committee during the next year was submitted.

RESOLVED – That the forward plan be noted.

**44 DATE AND TIME OF NEXT MEETING**

RESOLVED – That the next meeting of the committee be held on  
Wednesday 20 April 2016 at 2pm at Gateshead Civic Centre.

**45 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.