



**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE AUDIT BOARD**

**TUESDAY, 21ST NOVEMBER, 2006 AT 6.00 PM**

**THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE**

**MEMBERS:** Those Members appointed to the Audit Board by the Council at its Meeting on 14th November 2006

**AGENDA**

1. Appointment of Chairman
2. To receive apologies for absence
3. Declarations of Interest and Whipping Arrangements
4. To confirm the Minutes of the last Meeting held on 18th September 2006 (Pages 1 - 4)
5. Internal Audit Performance and Workload (Pages 5 - 12)
6. Audit Board Self-Assessment (Pages 13 - 22)
7. Date of next Meeting (re-schedule from 19th March 2007 to w/c 19th February 2007)

**K DICKS**  
**Acting Chief Executive**

The Council House  
Burcot Lane  
BROMSGROVE  
Worcestershire  
B60 1AA

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## BROMSGROVE DISTRICT COUNCIL

### AUDIT BOARD

Monday, 18th September 2006, at 6.00 p.m.

PRESENT: Councillors G. N. Denaro (Chairman), C. B. Lanham (Vice-Chairman), A. N. Blagg, A. J. Dent, J. T. Duddy, G. H. R. Hulett and N. Psirides JP

Observers: Councillors Mrs. R. L. Dent and Mrs. M. M. T. Taylor

11/06 **DECLARATIONS OF INTEREST / WHIPPING ARRANGEMENTS**

No interests or whipping arrangements were declared.

12/06 **MINUTES**

**RESOLVED** that the Minutes of the meeting of the Board held on 13th June 2006 be confirmed as a correct record and signed by the Chairman.

13/06 **EXTERNAL AUDIT MEMORANDUM REPORT TO THOSE CHARGED WITH GOVERNANCE STATEMENT OF ACCOUNTS 2005 / 2006**

The Chairman introduced Mr. J. Gorrie, from KPMG LLP (UK), the appointed auditor to the Council, together with Mr. N. Rafiq, Assistant Manager at KPMG LLP (UK).

Mr. Gorrie circulated copies of a draft "External Audit: 2005/06 Audit Memorandum - ISA 260 Report to those charged with governance" document which gave an indication to the Council of any audit issues which may need to be addressed and to ensure that audit and accounting codes of practice are adhered to. He stated that the report outlined the findings of the audit of the Council's Statement of Accounts for 2005/2006.

**RESOLVED** that the "External Audit: 2005/06 Audit Memorandum - ISA 260 Report to those charged with governance" document be noted.

14/06 **LETTER OF MANAGEMENT REPRESENTATIONS FOR THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2006**

The Board considered the draft Management Representation Letter which the Council is required to send to its auditors before the formal Audit Report can be issued.

**RESOLVED** that:

- (i) the draft Management Representation Letter, as outlined in Appendix A to the report, be noted; and

- (ii) the Head of Financial Services be authorised to make any necessary amendments to the draft Management Representation Letter following consultation with KPMG.

15/06

**KPMG INTERNAL MEMORANDUM 2005 / 2006**

Consideration was given to the Internal Memorandum 2005/2006, issued by KPMG and the Audit Commission, together with the management response to the recommendations.

**RESOLVED** that:

- (i) the 2005/2006 Internal Memorandum be noted; and
- (ii) the management response to the Audit and Inspection Letter be endorsed.

16/06

**NEW FINANCIAL REGULATIONS**

The Board considered the proposed new Financial Regulations which had been prepared following a thorough review of the existing Regulations. The Regulations provided a framework for the administration and control of the Council's financial affairs and formed part of the Council's Constitution.

**RECOMMENDED** that:

- (i) the Council approve the amendment of paragraph 4.3.5, relating to capital project budget overspending, from that referred to in Appendix A to the report to the following:-

"4.3.5 Where it appears that any capital project estimate will be -

- (a) exceeded by up to £5,000, it shall be the duty of the Service Manager concerned, in consultation with the relevant Head(s) of Service, to inform the Head of Financial Services at the earliest opportunity;
- (b) exceeded by between £5,001 and £15,000, it shall be the duty of the Service Manager concerned, after joint consultation with the relevant Head(s) of Service and the Head of Financial Services, to inform the Corporate Director (Resources) at the earliest opportunity;
- (c) exceeded by between £15,001 and £100,000, it shall be the duty of the Service Manager concerned, after joint consultation with the relevant Head(s) of Service, the Head of Financial Services and the Corporate Director (Resources), to inform the Executive Cabinet at the earliest opportunity; and
- (d) exceeded by over £100,000, it shall be the duty of the Service Manager concerned, after joint

consultation with the relevant Head(s) of Service, the Head of Financial Services and the Corporate Director (Resources), to inform the Council at the earliest opportunity."

- (ii) in all other respects, the new Financial Regulations be noted and approved.

17/06 **INTERNAL CONTROL FRAMEWORK**

Consideration was given to a proposed Internal Control Framework which included arrangements for the management of risk across six key areas, including Performance Management, Internal Audit, External Audit, Assurances by Managers, Risk Management and other sources of assurance.

**RESOLVED** that the Internal Control Framework be approved.

18/06 **2005 / 2006 INTERNAL AUDIT OPINION**

Consideration was given to the 2005/2006 Internal Audit Opinion on the Council's internal control environment and other matters which were detected during routine internal audit work.

**RESOLVED** that the Internal Audit Opinion report on the Council's internal control environment for 2005/2006 be approved.

19/06 **INTERNAL AUDIT PERFORMANCE AND WORKLOAD**

The Board gave consideration to the summary of the current performance and workload of the Internal Audit Section.

**RESOLVED** that:

- (i) the current status of, and work completed on, the Audit Plan for 2006/2007 be noted and approved;
- (ii) (a) the work completed by the Internal Audit Section during the first five months of 2006/2007; (b) the current Performance Indicator statistics; and (c) the work relating to ongoing investigations, be noted.

20/06 **RECOMMENDATION TRACKER**

Consideration was given to the current progress on the implementation of "priority one" recommendations which had been included in audit reports issued since April 2005.

**RESOLVED** that:

- (i) the Audit Finding relating to the production of a new Accountancy Codebook be deleted from the list as it is not considered to be high priority;

- (ii) the progress made to date on the "priority one" recommendations, outlined in Appendix A to the report, be noted, and the necessary action be taken to improve the issues referred to

The Meeting closed at 7.25 p.m.

Chairman

## BROMSGROVE DISTRICT COUNCIL

### AUDIT BOARD

21ST NOVEMBER 2006

#### INTERNAL AUDIT PERFORMANCE AND WORKLOAD

Responsible Portfolio Holder	Councillor Margaret Taylor
Responsible Head of Service	Head of Financial Services

#### 1. Summary

- 1.1 To present a summary of the current performance and workload of the Internal Audit Section.

#### 2. Recommendation

- 2.1 The Audit Board is recommended to note and approve the:

1. Current status and work completed on the 2006/07 Audit Plan.
2. Work completed by the Internal Audit Section during the first seven months of 2006/07.
3. The work regarding any ongoing investigations.
4. Current Performance Indicator statistics.

#### 3. Background

- 3.1 Following the Audit Board meeting on the 25th April 2006, a number of standard agenda items and topics were agreed. This report includes information on the following areas:

- 2006/07 Audit Plan - Current Status.
- Audit Work Completed since the previous Audit Board meeting.
- Summary of Investigations and Recommended Improvements.
- Performance Indicator statistics.
- New or updated audit documents.

#### 4. 2006/07 Audit Plan - Current Status

4.1 The 2006/07 Audit Plan came into effect on the 1st April 2006. Detailed below is the work completed to date on the audit reviews detailed in the plan.

Description	Section	Start Date	Current Status			Comments
			To Start	Ongoing	Complete	
<b>Audit Reviews</b>						
Agency & Casual Staff	HR & OD	Qtrtr 1	✓			Pre-audit work commenced. Review put on hold until the new agency system is fully embedded.
Staff Leave (incl. Flexi & TOIL)	HR & OD	Qtrtr 1	✓			Review put on hold due to the new Flexi leave arrangements.
Data Protection	Legal & Demo.	Qtrtr 1			✓	Final report issued.
Housing Enabling	Plan. & Env.	Qtrtr 1			✓	Final report issued.
Travel Concessions	St. Scene & Waste Mngmnt	Qtrtr 1			✓	Final report issued.
CCTV System (incl. Control Room)	Cult. & Comm.	Qtrtr 2			✓	Final report issued.
Development Control	Plan. & Env.	Qtrtr 2		✓		Testing completed, draft report prepared.
Sports Development	Cult. & Comm.	Qtrtr 2			✓	Final report issued.
Information & Knowledge Management	Legal & Demo.	Qtrtr 2		✓		Steering group meetings attended.
Woodrush Dual Use Centre	Cult. & Comm.	Qtrtr 2			✓	Final report issued.
Financial Regulations	Financial Srvs	Qtrtr 2			✓	Internal Audit involvement complete.
Parks & Open Spaces	Cult. & Comm.	Qtrtr 2			✓	Testing completed, draft report issued.
Museum and TIC	Cult. & Comm.	Qtrtr 2			✓	Final report issued.
Budgetary Control & Strategy	Financial Srvs	Qtrtr 3		✓		Pre-audit work commenced.
Treasury Management	Financial Srvs	Qtrtr 3	✓			To start.



Description	Section	Start Date	Current Status			Comments
			To Start	Ongoing	Complete	
Asset Management	Financial Srvs	Qrtr 3		✓		Testing commenced.
Creditors	Financial Srvs	Qrtr 3		✓		Testing commenced.
NNDR	Financial Srvs	Qrtr 3		✓		Testing commenced.
Customer Service Centre	E-Gov. & CS	Qrtr 3		✓		Testing commenced.
Benefits	Financial Srvs	Qrtr 4		✓		Pre-audit work commenced.
IT Security (Software / Hardware / Back Up)	E-Gov. & CS	Qrtr 4	✓			To start.
Section 106 Monies	N/A	Qrtr 4		✓		Testing completed, draft report prepared.
Payroll	HR & OD	Qrtr 4	✓			To start.
General Ledger & Bank Reconciliations	Financial Srvs	Qrtr 4	✓			To start.
Debtors	Financial Srvs	Qrtr 4	✓			To start.
Council Tax	Financial Srvs	Qrtr 4	✓			To start.
<b>Projects</b>						
Risk Management	Financial Srvs	Ongoing		✓		Audit Risk Register prepared. Steering group meetings attended.
E-Government Projects	E-Gov. & CS	Ongoing		✓		Steering group meetings attended.
Corporate Governance & Recovery Plan	N/A	Ongoing			✓	Local Code of Corporate Governance reviewed and Statement of Assurance approved.
ICT Infrastructure Project	E-Gov. & CS	Ongoing		✓		Assistance in disposing of old IT equipment.

## **5. Audit Work Completed**

5.1 Detailed below is the work completed by the Internal Audit section from 1st September to 31st October 2006.

- The Internal Audit Section has a representative on the Risk Management Steering Group and work is ongoing in embedding a risk management culture within the Authority.
- The Internal Audit Section has a representative on the Information Management Steering Group.
- Draft 2005/06 Payroll and Travel & Subsistence reports have been issued and are still awaiting a management response.
- Providing general contract and procurement advice and guidance on cash and security up procedures.
- Providing ongoing consultancy following the Housing Enabling audit.
- A Council policy and procedure guide and standard template has been presented to Corporate Management Team.
- Preparation of the latest Recommendation Tracker Reports.
- Equalities impact assessments have been completed for all relevant audit documents. The assessments have been reviewed and approved by the Council's Equalities Officer.
- The third Fraud Newsletter has been circulated to staff.
- Monthly monitoring of the Internal Audit Section's 2006/07 Performance Indicators. Further information has been provided in section 7.

5.2 Work has also been ongoing on the National Fraud Initiative (NFI). The NFI is the Audit Commission's data matching exercise that tackles a broad range of fraud risks faced by the public sector. The NFI has been embedded in the statutory external audit process for audited and inspected bodies since 1998 and is currently run every two years. The results from the most recent exercise (NFI 2004/05) broke all previous NFI records, enabling participants across the UK to identify over £111 million worth of fraud and overpayments.

The core of NFI is the matching of data to help reduce the level of housing benefit fraud, occupational pension fraud and tenancy fraud. As part of the exercise, the Council is required to provide certain Creditors, Payroll, Housing Benefit and Pension Payroll information. The results of the matching exercise will be issued to the Council during January 2007 for evaluation. The data required by the Audit Commission was sent on the 12th October 2006, and included:

- Payroll; and
- Creditors.

Housing Benefit data is provided by the Council to the Department for Work and Pensions (DWP) on a monthly basis. This data is then forwarded by the DWP to

the Audit Commission for the matching exercise. The Pension Payroll data is supplied by the Council's pension provider, Worcester County Council.

## **6. Summary of Investigations and Recommended Improvements**

6.1 Internal Audit has been involved in three investigations since the previous Audit Board meeting. Internal Audit's involvement in each case can be summarised by the following:

- Investigation Code FR201: Internal Audit was required to perform an internal process review and complete detailed testing of the area. A full report, including an agreed Action Plan of improvements, was circulated to management on the 4th October 2006.
- Investigation Code FR204: Internal Audit was consulted regarding best practice and compliance with Council procedures. The review is currently ongoing.
- Investigation Code FR205: Internal Audit was contacted regarding a recent procurement practice. Advice was provided to the relevant section and improvements agreed.

6.2 None of the completed investigations detailed above have resulted in any major risks to the Council and its assets. Additionally, where possible, the issues detailed above and Internal Audit's subsequent involvement resulted in improved systems, processes and a more robust system of internal control within the Council.

## **7. 2006/07 Internal Audit Performance Indicators**

7.1 At the Audit Board meeting on the 25th April 2006, the new 2006/07 Performance Targets were agreed. Detailed below is the first seven months performance against the targets.

<b>No</b>	<b>Description</b>	<b>2006/07 Target</b>	<b>2006/07 Actual</b>	<b>Comments</b>
1	Delivery of Audit Plan (Jobs Finished)	37%	33%	33% of audit reviews have been completed to date against a target of 37%. Additionally, work has commenced on 60% of audit reviews for 2006/07.
2	Delivery of Audit Plan (Resources)	95%	99%	Planned resources for 2006/07 are within target.
3	Productive audit time	67%	64%	Days spent on new starter training, annual leave and bank holidays, all planned for.

No	Description	2006/07 Target	2006/07 Actual	Comments
4	Assignments completed within budget	85%	90%	One audit assignment has been completed outside budget. However, performance is still within target for 2006/07.
5	Response time to fraud/allegations	5 days	2 days	All allegations and investigations have been responded to within 5 days for 2006/07.
6	Pre-audit meetings held for each audit	100%	100%	Pre-audit meetings have been held for all 2006/07 audit reviews.
7	Post audit meetings held for each audit	100%	100%	Post audit meetings have been held for all 2006/07 audit reviews.
8	Draft report turnaround	5 days	1 day	All draft reports have been issued within 5 days for 2006/07.
9	Final report turnaround	10 days	7 days	All final reports have been issued within 10 days for 2006/07.
10	Number of recommendations accepted	90%	98%	98% of recommendations have been accepted for 2006/07.
11	Post Audit Questionnaires returned	85%	86%	86% of post audit questionnaires have been returned 2006/07.
12	Customer feedback rating	90%	99%	99% positive feedback has been received from post audit questionnaires returned during 2006//07.
13	Attendance	4.5 days	2.0 days	Staff sick days are within target for 2006/07.

7.2 Following each final report, the Head of Service and Service Manager are issued with a Quality Questionnaire. This enables them to rate the service they received and details any areas that need improving. From the questionnaires issued so far this financial year, the following comments have been received:

- “The ability to flag up areas of concern prior to the audit that Thelma could investigate in a way that I could not. I found Thelma very helpful and focused and am very grateful for her offer of ongoing support at least for a short time while some discrepancies are unraveled.”

- “From previous experience I found this audit to be more open and honest. This created a two way process, which meet both, parties’ objectives and will lead to service level improvements.”
- “An excellent audit that has allowed off site managers an in-depth look at the operation which result in service improvements.”

**8. New or updated audit documents.**

8.1 A review of all standard Internal Audit manuals, procedures, protocols, charters and documents was completed at the end of October 2006. A few minor amendments were made to ensure the documents are kept up to date. However, these amendments did not require any documents to be resubmitted for approval.

**9. Financial Implications**

9.1 None outside existing budgets.

**10. Legal Implications**

10.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

**11. Corporate Objectives**

11.1 Council Objective 04: Improvement.

**12. Risk Management**

12.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”. Not fulfilling this requirement would have a negative impact on the Authority.

**13. Customer Implications**

13.1 No customer implications.

**14. Other Implications**

14.1

Procurement Issues	None
Personnel Implications	None
Governance / Performance Management	None
Community Safety including Section 17 of the Crime and Disorder Act 1998	None

Policy	None
Environmental	None
Equalities and Diversity	None

**15. Others Consulted on the Report**

15.1

Portfolio Holder	No
Acting Chief Executive	Yes
Corporate Director (Services)	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

**16. Appendices**

16.1 None.

**Background Papers**

Audit Board agenda and reports - 18th September 2006.

**Contact officer**

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## BROMSGROVE DISTRICT COUNCIL

### AUDIT BOARD

21st NOVEMBER 2006

#### AUDIT BOARD SELF ASSESSMENT

Responsible Portfolio Holder	Councillor Margaret Taylor
Responsible Head of Service	Head of Financial Services

#### 1. Summary

- 1.1 To present the completed CIPFA Audit Board Self Assessment. The document helps measure the effectiveness of the Council's Audit Board and details the level of compliance with the CIPFA guidance.

#### 2. Recommendation

- 2.1 The Audit Board is recommended to:

1. Note the completed CIPFA Self Assessment document.
2. Agree any action, following the self assessment, to ensure further compliance with the CIPFA Audit Board guidance.

#### 3. Background

- 3.1 Following a request at the 28th March 2006 Audit Board meeting, a copy of CIPFA's Audit Committees: Practical Guidance for Local Authorities was circulated to each Audit Board member.
- 3.2 At the 25th April 2006 Audit Board meeting, it was resolved "that the Self Assessment Checklist on measuring the effectiveness of the Audit Board, as set out in CIPFA's Audit Committees: Practical Guidance for Local Authorities, be completed by the Board in six months' time". The aim of this exercise was to measure the effectiveness of the Council's Audit Board against the expectations detailed in the CIPFA guidance.

#### 4. CIPFA Audit Board Self Assessment Summary

- 4.1 During October 2006, CIPFA's Audit Committees: Practical Guidance for Local Authorities Self Assessment was completed. The document is attached in Appendix A.

4.2 The completed assessment shows that although the Audit Board has only been operating for just over six months, it already complies with the majority of the CIPFA guidance. However, to ensure full compliance, consideration needs to be given to completing further work in the following areas:

- The Audit Board approving the Council’s Whistle-Blowing Strategy;
- A full member skills and experience assessment should be considered;
- A formal induction and training programme should be considered; and
- Additional advanced Audit Board training could be offered on a needs basis.

**5. Financial Implications**

5.1 None outside existing budgets.

**6. Legal Implications**

6.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

**7. Corporate Objectives**

7.1 Council Objective 04: Improvement.

**8. Risk Management**

8.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”. Not fulfilling this requirement would have a negative impact on the Authority.

**9. Customer Implications**

9.1 No customer implications.

**10. Other Implications**

10.1

Procurement Issues	None
Personnel Implications	None
Governance / Performance Management	None
Community Safety including Section 17 of the Crime and Disorder Act 1998	None
Policy	None
Environmental	None
Equalities and Diversity	None



## 11. Others Consulted on the Report

### 11.1

Portfolio Holder	No
Acting Chief Executive	Yes
Corporate Director (Services)	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

## 12. Appendices

### 12.1 Appendix A: CIPFA Audit Board Self Assessment

#### Background Papers

Audit Board agenda and reports - 25th April 2006.

#### Contact officer

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No.	Issue	Yes	No	N/A	Comment
<b>1.</b>	<b>Terms of Reference</b>				
1.1	Have the committee's terms of reference been approved by Full Council?	✓			The Audit Board's Terms of Reference were approved by: <ul style="list-style-type: none"> <li>- Executive Cabinet on the 30th November 2005;</li> <li>- Full Council on 7th March 2006; and</li> <li>- Audit Board on the 28th March 2006.</li> </ul>
1.2	Do the terms of reference follow the CIPFA model?	✓			The Audit Board Terms of Reference are based on the CIPFA "Internal Audit Manual: Audit Committee Terms of Reference".
<b>2.</b>	<b>Internal Audit Process</b>				
2.1	Does the committee approve the strategic audit approach and the annual programme?	✓			On the 28th March 2006, the Audit Board approved the: <ul style="list-style-type: none"> <li>- The 2006/07 Internal Audit Plan;</li> <li>- Internal Audit Manual;</li> <li>- Internal Audit Protocol;</li> <li>- Internal Audit Charter; and</li> <li>- Internal Audit Performance Indicators.</li> </ul>
2.2	Is the work of internal audit reviewed regularly?	✓			At each meeting the following information is provided: <ul style="list-style-type: none"> <li>- 2006/07 Audit Plan - Current Status;</li> <li>- Audit Work Completed since the previous Audit Board meeting;</li> <li>- Summary of Investigations and - Recommended Improvements;</li> <li>- Performance Indicator statistics; and</li> <li>- New or updated audit documents.</li> </ul>

No.	Issue	Yes	No	N/A	Comment
2.3	Are summaries of quality questionnaires from managers reviewed?	✓			One of Internal Audit's Performance Indicators is the "Customer feedback rating". Each month, current performance against target is reported.  Specific comments made on returned quality questionnaires are also reported to the Audit Board.
2.4	Is the annual report, from the head of audit, presented to the committee?	✓			The 2005/06 Internal Audit Opinion report was approved by the Audit Board on the 18th September 2006.
<b>3.</b>	<b>External Audit Process</b>				
3.1	Are reports on the work of external audit and other inspection agencies presented to the committee?	✓			The following reports have been presented to the Audit Board to date:  - External Audit Presentation; - 2003/04 and 2004/05 Final Accounts Memorandums; - 2004/05 Annual Audit and Inspection Letter; - 2005/06 Letter of Management Representations; - 2005/06 Interim Memorandum; and - 2006/07 Audit and Inspection Plan.
3.2	Does the committee input into the external audit programme?		✓		The 2006/07 Audit and Inspection Plan was presented to the Audit Board on the 13th June 2006. However, the Audit Board does not currently request specific areas to be included in the programme.

No.	Issue	Yes	No	N/A	Comment
<b>4.</b>	<b>General</b>				
4.1	Does the committee ensure that officers are acting on and monitoring action to implement recommendations?	✓			At each meeting a "Priority 1 Recommendation Tracker" report is presented to the Audit Board which details progress on key recommendations.
4.2	Does the committee take a role in overseeing: - Risk Management Strategies; - Internal Control Statements;  - Anti-Fraud Arrangements; and  - Whistle-Blowing Strategies.	✓  ✓  ✓	✓		- Corporate Risk Register is due to be presented, but the Council's Risk Strategy has not been presented; - 2005/06 Statement of Internal Control was approved by the Audit Board on the 13th June 2006. - An update of completed and ongoing fraud investigations is presented at each meeting. Progress against the Audit Commission's NFI data matching exercise will also be reported; and - The Council's Confidential Reporting Code has not been presented, although it has not been updated since September 2004.
<b>5.</b>	<b>Membership</b>				
5.1	Has the membership of the committee been formally agreed and a quorum set?	✓			Audit Board membership was agreed at Full Council on the 9th May 2006, and consists of:  - Four Conservative members; - One Labour member; - One Independent member; and - One Wythall Ratepayers & Residents Association.  The quorum for the Audit Board is set out for committees in the Council Procedure Rules.

No.	Issue	Yes	No	N/A	Comment
5.2	Is the chair free of executive or scrutiny functions?	✓			
5.3	Are members sufficiently independent of the other key committees of the council?		✓		<p>Councillor G. N. Denaro - Local Development Framework Working Party.  Councillor C. B. Lanham - Performance Management Board.  Councillor A. N. Blagg - Performance Management Board, Licensing Committee.  Councillor A. J. Dent - Scrutiny Steering Board, Licensing Committee.  Councillor J. T Duddy - Scrutiny Steering Board.  Councillor G. H. R. Hulett - Planning Committee, Licensing Committee, Local Development Framework Working Party.  Councillor N. Psirides - Scrutiny Steering Board, Planning Committee, Licensing Committee, Local Development Framework Working Party.</p> <p>However, Audit Board's current membership and quorum complies with the Council Procedure Rules for committees and is due for review at Full Council on the 14th November 2006.</p>
5.4	Have all members' skills and experiences been assessed and training given for identified gaps?		✓		A full member skills and experience assessment has not been completed. However, as part of the Modern Member programme a training needs analysis will be completed.
5.5	Can the committee access other committees as necessary?	✓			<p>Within the Audit Board's Terms of Reference is states that the:</p> <ul style="list-style-type: none"> <li>- Board may report directly to full Council where it believes there have been improprieties; and</li> <li>- Audit Board's minutes and recommendations to be reported to the next available meeting of the Cabinet.</li> </ul>

No.	Issue	Yes	No	N/A	Comment
<b>6.</b>	<b>Meetings</b>				
6.1	Does the committee meet regularly?	✓			Audit Board meetings are held at least quarterly.
6.2	Are separate, private meetings held with the external auditor and the internal auditor?	✓			The Chairman of the Audit Board meets separately with the Audit Services Manager.  The Audit Board also have the opportunity to meet with Internal and/or external audit, when required.
6.3	Are meetings free and open without political influences being displayed?	✓			
6.4	Are decisions reached promptly?	✓			
6.5	Are agenda papers circulated in advance of meetings to allow adequate preparation by members?	✓			Audit Board papers are circulated at least five clear working days before each meeting, in accordance with the Local Government Act 1972.
6.6	Does the committee have the benefit of attendance of appropriate officers at its meetings?	✓			Meetings are attended by: <ul style="list-style-type: none"> <li>- The Acting Chief Executive;</li> <li>- The Head of Financial Services;</li> <li>- The Audit Services Manager;</li> <li>- The Accountancy Services Manager (as required);</li> <li>- A representative from the Council's Committee Services section;</li> </ul> and <ul style="list-style-type: none"> <li>- Any elected member or officer of the Authority, as detailed in the Audit Board's Terms of Reference (as required).</li> </ul>

No.	Issue	Yes	No	N/A	Comment
<b>7.</b>	<b>Training</b>				
7.1	Is induction training provided to members?		✓		Although no formal induction training has taken place, the following action has been completed: - A copy of the CIPFA "Audit Committees: Practical Guidance for Local Authorities" booklet was circulated to all Audit Board members following the 28th March 2006 Audit Board meeting; - KPMG completed a presentation at the 25th April 2006 Audit Board meeting which summarised best practice guidance for Audit Boards; and - A report summarising the Internal Audit process and how Audit Boards feed into that process was presented at the 28th March 2006 Audit Board meeting.
7.2	Is more advanced training available as required?		✓		No advanced Audit Board training has been completed, although it could be offered on a needs basis.
<b>8.</b>	<b>Administration</b>				
8.1	Does the s151 officer or deputy attend all meetings?	✓			Meetings are attended by: - The Head of Financial Services (Section 151 Officer); or - Acting Chief Executive (Deputy Section 151 Officer).
8.2	Are the key officers available to support the committee?	✓			Support to the Audit Board is provided by the Committee Services section, in accordance with internal policies and procedures.

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