

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE AUDIT BOARD**

**THURSDAY, 18TH SEPTEMBER 2014 AT 6.00 P.M.**

PRESENT: Councillors H. J. Jones (Chairman), M. T. Buxton (Vice-Chairman), S. J. Dudley (Minute 18/14 to Minute 22/14) , P. A. Harrison (Minute 18/14 to Minute 22/14), R. J. Laight (substituting for B. T. Cooper) and R. J. Shannon (substituting for P. M. McDonald)

Officers: Ms. J. Pickering, Ms D. Poole, Mr. J. Godwin, Mr. A. Bromage and Ms. R. Cole

18/14 **APOLOGIES**

Apologies for absence were received from Councillors S. J. Baxter, B. T. Cooper and P. M. McDonald.

19/14 **DECLARATIONS OF INTEREST**

No interests or whipping arrangements were declared.

20/14 **OVERVIEW AND SCRUTINY BOARD**

Members considered a recommendation relating to the replacement Leisure Centre from the Overview and Scrutiny Board contained within minute 19/14 of the meeting of Overview and Scrutiny Board held on 14th July 2014.

The recommendation was as follows:

“that financial concerns around the increased membership that will be needed to ensure good annual revenue should be addressed through an Audit Board investigation of the figures”.

The Chairman welcomed Mr. J. Godwin, Head of Leisure and Cultural Services to the meeting.

The Head of Leisure and Cultural Services briefly confirmed the work which had been undertaken in order to give a forecast on membership numbers including detailed research work and surveys undertaken by leading companies in the field. This had taken into account current membership levels and future trends.

During the discussion on this matter a number of Members commented that in view of the level of borrowing involved in the development of a new Leisure Centre, it would be appropriate to request Internal Audit to review the membership figures involved which would impact on the revenue stream.

Reference was also made by Members to the detailed work which had already been undertaken on this matter by Consultants from a national Company and whether there was value in requesting officers from Internal Audit to look further at the figures. It was felt to be important that there was no further delay in the process.

Following discussion it was

**RESOLVED** that no action be taken on the request from the Overview and Scrutiny Board that the Audit Board undertake an investigation of the figures in respect of the Membership levels of the replacement Leisure Centre.

21/14

### **DEPARTMENTAL RISK REGISTER PRESENTATION - BUSINESS TRANSFORMATION**

The Chairman welcomed Ms D. Poole, Head of Transformation and Organisational Development to the meeting.

The Head of Transformation and Organisational Development provided Members with a presentation detailing operational risks for Business Transformation and Organisational Development.

The presentation detailed the operational risks which involved ICT, Information Management and HR issues. The presentation also detailed how the risks were being mitigated. It was recognised that due to the nature of the service, issues such as ICT capacity had an impact upon other services across the Authority and the use of an Apprenticeships Programme to help to address the difficulty in recruiting staff was welcomed. Reference was made by Members to some of the issues around Shared Services in relation to staffing including differences in salary levels.

The Chairman thanked the Head of Transformation and Organisational development for her presentation.

22/14

### **INTERNAL AUDIT MONITORING REPORT**

The Board considered a report which detailed the monitoring report of internal audit work and performance for 2014/15.

The Service Manager, Worcestershire Internal Audit Shared Service introduced the report which gave a summary of all of the Audits which were taking place.

In respect of the ICT full systems audit it was noted that a clear action plan had been agreed and was being implemented. In relation to the return of ICT

equipment including by former Members, the Head of Transformation and Organisational Development undertook to look further at the process for this.

The Executive Director, Finance and Corporate Resources stated that the Internal Audit Monitoring report was to be considered by the Corporate Management Team as a whole on a regular basis. Clearly the Heads of Service involved in each Audit report were already closely involved in the consideration of the report.

The Executive Director, Finance and Corporate Resources stated that it was important that the Audit reports were produced in a form which was easily accessible to Members and it was suggested that Councillor H. J. Jones as Chairman of the Audit Board and lead Member for Audit, meet with relevant Heads of Service to consider how the format of the reports could be amended or supplemented to improve focus on the points within each Audit Report which needed to be addressed.

**RESOLVED** that the report be noted.

23/14

### **MINUTES**

The minutes of the meeting of the Audit Board on 19th June 2014 could not be confirmed as a correct record at present, as insufficient Members were present at the current meeting who had also been present at the meeting on 19th June.

The minutes would therefore be considered at the next meeting of the Board.

It was noted that:

- the updated Fraud and Corruption Policies were on the Work Programme for the next meeting (Minute 6/14):
- the Executive Director, Finance and Corporate Resources would update in relation to Minute 8/14; and
- that no requests had been received in relation to Minute 9/14

24/14

### **BENEFIT FRAUD - QUARTER 1**

The Board considered a report on performance information in respect of the Benefits Fraud investigation Service from 1st April 2014 to 30th June 2014 quarter1.

The Executive Director, Finance and Corporate Resources highlighted the advantages of close working with and the sharing of information with other agencies such as the Department of Work and Pensions.

In relation to the Fraud Trends data set out in Appendix 3 to the report, Members requested additional information on Student Awards and The executive Director , Finance and Corporate Resources undertook to circulate this to Members.

**RESOLVED** that the Benefits Services Fraud Investigations update for 1st April 2014 to 30th June 2014, quarter 1 be noted.

25/14     **APRIL - JUNE 2014/2015 FINANCIAL SAVINGS MONITORING**

The Board considered the Finance Monitoring report for the period April to June 2014.

The Executive Director, Finance and Corporate Resources reminded Members that this report focussed on projected savings for the year in respect of each of the Council's Strategic Purposes and in particular savings delivered for April to June 2014.

It was noted that the Council's External Auditors had recommended that the delivery of savings be monitored more closely to ensure that savings are being made in the way expected when the budget was set.

The Executive Director, Finance and Corporate Resources informed the Board that some areas had not yet delivered the projected savings because of timings of restructures and service reviews. In some areas such as CCTV additional income generation was adding to savings achieved.

**RESOLVED** that the current position in respect of projected savings as set out in the report be noted.

26/14     **RISK MANAGEMENT MONITORING GROUP**

The Executive Director, Finance and Corporate Resources reported that there had been a recent meeting of the Risk Management Monitoring Group which had looked at Terms of reference for the Group. The next meeting was set for early October and there would be an update to the next meeting of the Board.

**RESOLVED** that the information be noted.

27/14     **CONTRACTS REGISTER**

The Executive Director, Finance and Corporate Resources reported that there was now a detailed Contracts Register in place. It was confirmed that the Register was open to Inspection.

**RESOLVED** that the information be noted.

28/14     **AUDIT BOARD WORK PROGRAMME 2014/2015**

Members considered the Board's Work Programme for the remainder of 2014/2015.

It was noted that there were a number of reports due to be considered at the 19th March 2015 meeting and that it may be appropriate to include an additional meeting in March 2015.

**RESOLVED** that the Work Programme for 2014/15 be noted and that officers consider whether an additional meeting is required.

The meeting closed at 7.10 p.m.

Chairman