

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT BOARD

MONDAY, 25TH JUNE, 2007 AT 6.00 P.M.

PRESENT: Councillors S. R. Colella, D. McGrath, C. R. Scurrell, Mrs. C. J. Spencer, E. C. Tibby and C. J. K. Wilson

Observer: Councillor G. N. Denaro

Officers: Mr. K. Dicks, Miss. J. Pickering, Mr. N. Shovell, Ms. K. Firth and Ms. D. Parker-Jones

1/07 **ELECTION OF CHAIRMAN AND VICE-CHAIRMAN**

RESOLVED: that Councillors C. J. K. Wilson and S. R. Colella be appointed Chairman and Vice-Chairman of the Board respectively for the ensuing municipal year.

2/07 **APOLOGIES**

An apology for absence was received from Councillor Mrs. H. J. Jones.

3/07 **DECLARATIONS OF INTEREST**

No interests were declared.

4/07 **MINUTES**

The Minutes of the meeting of the Audit Board held on 19th February 2007 were submitted.

RESOLVED: that the Minutes be approved as a correct record and signed by the Chairman.

5/07 **INTERNAL AUDIT PROCESS AND AUDIT BOARD GUIDANCE**

The Audit Services Manager gave members a brief summary of the Council's internal audit process and explained some of the requirements contained within the CIPFA "Audit Committees: Practical Guidance for Local Authorities" publication.

During the discussion reference was made to the frequency of the meetings of the Board. Members were informed that the Board was required to meet at least four times per year but that additional meetings could be arranged should the need arise.

RESOLVED:

- (a) that the internal audit process be noted; and
- (b) that the guidance detailed in the CIPFA "Audit Committees: Practical Guidance for Local Authorities" publication be noted.

6/07 **USE OF RESOURCES**

The Head of Financial Services reported that the Use of Resources report had not been received from KPMG LLP, the Council's External Auditors, and stated that the matter would therefore be referred to a future meeting of the Board.

7/07 **STATEMENT OF ACCOUNTS AND STATEMENT ON INTERNAL CONTROL**

Consideration was given to the unaudited Statement of Accounts for the year ended 31st March 2007, which incorporated the Statement of Internal Control.

Members queried how the Audit Board could see that the effectiveness of the system of internal control was both maintained and duly followed up on, as appropriate. The Audit Services Manager stated that any identified weaknesses were given a priority 1, 2 or 3 rating (priority 1 being the highest level), with each priority then being tracked on a quarterly basis. Managers were required to provide progress updates on priority areas and any outstanding priority 1 issues were automatically referred to the Audit Board, with senior management investigating such issues prior to their referral.

RECOMMENDED: that the Executive Cabinet be requested to recommend to full Council the approval of the unaudited Statement of Accounts, which incorporated the Statement of Internal Control, for the year ended 31st March 2007, in accordance with the Accounts and Audit Regulations 2003 amended 2006.

8/07 **ANNUAL AUDIT AND INSPECTION LETTER**

A copy of the Audit Commission and Council's External Auditor's Annual Audit and Inspection Letter was considered. It was noted that the document was somewhat less detailed than usual due to the publication of the Council's Comprehensive Performance Assessment.

RESOLVED: that the Annual Audit and Inspection Letter be noted.

9/07 **CIPFA AUDIT CODE SELF-ASSESSMENT AND 2007-2010 INTERNAL AUDIT STRATEGY**

The Board considered a report which gave a summary of the Internal Audit self assessment against the standards detailed in the CIPFA Code of Practice for Internal Audit in Local Government, and which also presented the 2007-2010 Internal Audit Strategy.

RESOLVED:

- (a) that the Internal Audit self assessment be noted; and
- (b) that the 2007-2010 Internal Audit Strategy be noted and approved.

10/07 **2006/2007 INTERNAL AUDIT OPINION**

Members considered the 2006/2007 Internal Audit Opinion on the Council's internal control environment.

RESOLVED: that the Internal Audit Opinion report on the Council's internal control environment for 2006/2007 be approved.

11/07 **LOCAL CODE OF CORPORATE GOVERNANCE AND 2006/2007 STATEMENT OF ASSURANCE**

Consideration was given to the updated Local Code of Corporate Governance and the Statement of Assurance for 2006/2007.

RESOLVED: that the updated Local Code of Corporate Governance and the Statement of Assurance for 2006/2007 be noted and approved.

12/07 **MEMBER TRAINING**

In order to assist them in carrying out their functions on the Board, members requested that they be given specific training on audit matters and that there be liaison with other councils, whose Audit Boards were deemed to be operating well, to see whether there were any lessons to be learned in this regard.

Members also agreed that it would be useful for them to receive a copy of the programme of annual audits.

RESOLVED:

- (a) that audit training be arranged for the members of the Audit Board; and
- (b) that officers forward a copy of the programme of annual audits to the members of the Board.

The meeting closed at 7.10 pm

Chairman