

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE AUDIT BOARD**

**MONDAY, 15TH OCTOBER 2007 AT 6.00 P.M.**

PRESENT: Councillors C. J. K. Wilson (Chairman), S. R. Colella (Vice-Chairman), Mrs. H. J. Jones, D. McGrath, C. R. Scurrall (during Minute Nos. 22/07 to part of 25/07), Mrs. C. J. Spencer and E. C. Tibby

Observer: Councillor G. N. Denaro

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

22/07 **APOLOGIES FOR ABSENCE**

No apologies for absence were received.

23/07 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

24/07 **MINUTES**

The minutes of the meeting of the Audit Board held on 17th September 2007 were submitted.

**RESOLVED** that the minutes be approved as a correct record.

25/07 **ANNUAL AUDIT AND INSPECTION PLAN**

The Board considered the draft annual Audit and Inspection Plan. The Plan, which was based on the Audit Commission's risk-based approach to audit planning and the requirements of the Comprehensive Performance Assessment (CPA), set out the audit and inspection work that the Audit Commission proposed to undertake for the 2007/08 financial year.

The Chairman introduced Ms Liz Cave and Mr David Evans, District Auditor and Audit Manager respectively, of the Audit Commission. Apologies were submitted on behalf of Mr Gary Stevens, the Council's Relationship Manager and primary point of contact at the Audit Commission, who was unable to attend the meeting owing to a prior engagement. Ms Cave presented the Plan and highlighted the key aspects of this.

It was noted that as the Audit Commission had not yet completed its audit for 2006/07, the audit planning process for 2007/08, including the risk assessment, would continue as the year progressed, with the information and fees contained in the Plan to be kept under review and updated as necessary.

Whilst the Audit Commission had become the Council's appointed auditor for 2007/08, the Council's former appointed auditor from KPMG was still best placed to complete a range of work with the Council. This work would include the Audit Opinion for 2006/07, the 2007 Use of Resources assessment and the assessment of the arrangements for Data Quality.

Under the Summary of inspection activity section of the Plan, it was noted that the original inspection of culture services contained within the 2006/07 Plan had not been completed because of the Council's request for a CPA. In the light of the issues identified by the CPA the Audit Commission no longer proposed to carry out this inspection and would, instead, be using this resource to undertake an assessment, at a senior level, of the Council's capacity and governance to support the Council's improvement priorities. The direction of travel assessment would also include some extra focus on this. Ms Cave added that Mr Stevens would be discussing with the Chief Executive how and when the capacity and governance assessment was to be undertaken.

In relation to the initial risk assessment undertaken for the Council's use of resources, the Head of Financial Services advised that officers were fully aware of the risks identified and that the Internal Audit team would be monitoring these and raising any issues of concern as appropriate.

**RESOLVED** that the 2007/08 Audit and Inspection Plan be noted and approved.

26/07 **ETHICAL/SOCIAL POLICY**

Following a request made at the full Council on 27th June 2007, a report which informed Members of the existing social/ethical policies which were in place with the main provider of the Council's banking services, and which also reported on the options for the development of an ethical policy for the Council corporately, was considered.

It was noted that HSBC Bank currently provided the banking arrangements for the Council. A summary of the Corporate Responsibility policy that had been adopted by HSBC was appended to the report, which represented HSBC policies on ethical issues such as: lending proposals and investments; the promotion of good environmental practice and sustainable development; and commitment to the welfare and development of each local community. It was noted that the HSBC had a robust corporate responsibility in place, which it used as the framework for any transactions undertaken on behalf of the Council.

The Head of Financial Services advised that only HSBC and the Co-operative Bank had robust Corporate Responsibility policies in place. She added that over the last 18 months there had been an improvement in the procurement policies and practices undertaken by the Council, which involved officers having to consider a number of factors when procuring assets, supplies or services. Members felt it important to ensure that checks were in place to ensure that officers were complying with the necessary requirements in this

regard, which the Head of Financial Services confirmed would be incorporated into the system.

**RESOLVED** that the summary of the HSBC Corporate Responsibility policy be noted; and

**RECOMMENDED** that, it being noted that with only the HSBC Bank and Co-operative Bank having robust Corporate Responsibility policies in place, and following consideration of the internal policies in place at the Council and in acknowledging the development of future plans, that Members be satisfied that current organisational requirements were being met and that it be agreed that there was no need for further action at this time.

The meeting closed at 6.55 pm

Chairman