

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT BOARD

MONDAY, 17TH MARCH 2008 AT 6.00 P.M.

PRESENT: Councillors C. J. K. Wilson (Chairman), Mrs. H. J. Jones, C. R. Scurrall (during Minute No's. 33/07 to 41/07), Mrs. C. J. Spencer and E. C. Tibby

Also in attendance: Councillor G. N. Denaro (Portfolio Holder for Finance) and Councillors Mrs. J. D. Luck and D. L. Pardoe (for item 4 - Civic Bonfire and Fireworks Event)

Officers: Mr. T. Beirne, Ms. J. Pickering and Ms. D. Parker-Jones

33/07 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors S. R. Colella (Vice-Chairman) and D. McGrath.

34/07 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

35/07 **MINUTES**

The minutes of the meeting of the Audit Board held on 10th December 2007 were submitted.

RESOLVED that the minutes be approved as a correct record.

36/07 **CIVIC BONFIRE AND FIREWORKS EVENT**

Consideration was given to a report, originally raised as a scrutiny proposal by Councillor Pardoe, relating to the civic bonfire and fireworks event which had taken place on Sunday 4th November 2007 at Sanders Park, Bromsgrove. Two issues had been raised in connection with this, namely: that no tickets had been issued on entry, meaning it was not possible to fully audit receipts; and the lack of a record of the exact numbers of people in attendance at the event. Councillors Mrs. Luck and Pardoe were present for this item and spoke on the issues in question.

It was noted that the 2007 event was the first to have been organised as a chargeable event to the public and that there were lessons to be learnt from this. Members supported the proposals contained in the report for the introduction of a paid ticket system for each member of the public attending the event. This would enable receipts to be fully audited and reconciled and

would also produce an exact record of how many children, adults and families had attended. It was felt that colour coded tickets for different categories of attendee, together with advance ticket sales in the weeks leading up to the event would assist in the future.

Officers agreed to investigate and report back to Members after the meeting on certain operational matters raised during the course of the discussion. It was also agreed that public statements would be issued acknowledging difficulties encountered with the event and outlining changes to be put in place for 2008.

RESOLVED that, subject to the comments in the preamble above, the contents of the report and the proposed enhancements for the 2008 event be noted.

37/07 **ANNUAL EXTERNAL AUDIT REPORT 2006/07**

The Chairman welcomed Mr. A. Cardoza, Senior Manager with KPMG LLP (UK), the Council's former appointed Auditor. Mr. Cardoza presented the report which summarised the 2006/07 external audit work carried out by KPMG for their areas of audit responsibility under the Audit Commission's Code of Audit Practice.

It was noted that an unqualified opinion had been issued in relation to the Authority's accounts. Regarding use of resources, improvements had been noted in a number of areas, with the Authority also having made proper arrangements to secure economy, efficiency and effectiveness on 9 of the 12 criteria determined by the Audit Commission (compared to only 4 criteria in the previous year). Whilst the Authority had continued to strengthen its arrangements for managing and improving its value for money, and with there being a much stronger understanding of its costs and performance, further improvement was still required in this area. Significant progress had also been made with the second review of data quality.

RESOLVED:

- (i) that the Annual External Audit Report for 2006/2007 be noted and accepted;
- (ii) that the management response to the Annual External Audit Report for 2006/2007 recommendations be endorsed; and
- (iii) that the thanks of the Board be expressed to both officers and KPMG LLP (UK) for the valuable and beneficial working relationship which had taken place during the last few years.

38/07 **RISK MANAGEMENT TRACKER**

Members considered a report which presented a summary of progress to date against all of the improvement actions detailed on individual Service risk registers for the period 1st April to 31st December 2007.

The year end prediction in the report in relation to the number of actions/improvements which would be behind target was noted. Officers advised that risk management was still in its infancy and that there was a need for better reporting of updates on actions and improvements and to quantify, in future, the level of those risks which were behind target (e.g. whether they were high or low risks).

RESOLVED that the progress to date against all Service risk register actions for 2007/08 be noted.

39/07 **PROCEDURES RE CODE OF CONDUCT**

Consideration was given to a report on the procedure in place at the Authority for officers to comply with the Code of Conduct. As the Code was slightly out of date a few minor amendments were made to this and it was noted that the Code would also need to be reviewed by the Head of Human Resources for any further appropriate updates.

RESOLVED that, subject to the review of the Code by the Head of Human Resources and Organisational Development and the minor amendments raised by the Audit Board, the Code of Conduct for Council Employees be noted.

40/07 **FUTURE TRAINING PLAN**

Further to training which had previously been provided to the members of the Audit Board by the former Audit Services Manager, the Head of Financial Services asked Members whether there was any additional training which they felt was necessary in order to assist them in fulfilling their role on the Board.

The following suggestions were made in this regard:

- (a) a talk from an appropriate member of staff of internal audit at another authority to see how they approached audit board matters;
- (b) a session on value for money once benchmarking figures were in place;
- (c) a session on the role of the Finance team, to include relevant financial procedures/processes etc; and
- (d) training on how to be an effective member of an audit board - possibly bringing in the chairman of an audit board of another authority to hear their experiences.

RESOLVED that the proposals for future training for the members of the Audit Board be noted and progressed by officers.

41/07 **BUDGETARY CONTROL AUDIT PROCESS**

Members considered a report on the procedure in place to audit the budgetary control systems within the Council, which included the formulation of the Annual Budget as part of the Medium Term Financial Plan. The Head of Financial Services detailed the procedure and provided an example of the

forthcoming transfer of the payroll function from the Authority to Redditch Borough Council.

RESOLVED that the audit brief and procedures in place for audit of this area be noted.

42/07 **2008/09 INTERNAL AUDIT PLAN**

Consideration was given to the Council's Internal Audit Plan for 2008/2009.

The Head of Financial Services advised that discussions were being undertaken in relation to interim support to the Internal Audit team following the departure of the Audit Services Manager. This might involve future arrangements to include working with Redditch Borough Council in the provision of Audit Management.

RESOLVED that the Internal Audit Plan for 2008/2009, as detailed in the report, be noted and approved.

43/07 **RECOMMENDATION TRACKER**

Members considered a report which provided a summary of previously selected audit report "priority one" recommendations.

The Head of Financial Services advised that any "priority one" recommendations which were still ongoing and outside of their target dates would, in future, be referred to the Corporate Management Team for Heads of Service to consider in view of the recommendations being fundamental to improving the controls within the system and the forthcoming Comprehensive Performance Assessment.

RESOLVED:

- (a) that the "priority one" recommendations detailed in Appendix A to the report be noted; and
- (b) that these be brought back to the Audit Board following referral to the Corporate Management Team.

44/07 **INTERNAL AUDIT PERFORMANCE AND WORKLOAD**

Consideration was given to a report which provided a summary of the current performance and workload of the Internal Audit Section.

Regarding delivery of the Audit Plan, the Head of Financial Services advised that although only 46% of reviews had been completed during 2007/08, work had commenced on 75% of the Audit Plan, with a number of reviews simply awaiting final responses from managers and Heads of Services on agreement in relation to recommendations arising from the reviews.

RESOLVED:

- (a) that the current status and work completed on the 2007/08 Audit Plan be noted and approved;

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- (b) that the work completed by the Internal Audit Section between December 2007 and February 2008 be noted;
- (c) that the summary of investigations completed by the Internal Audit Section be noted;
- (d) that the current Internal Audit Performance Indicator statistics be noted;
and
- (e) that it be noted that there were no new or updated Internal Audit documents to report.

The meeting closed at 7.41 p.m.

Chairman