

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT BOARD

MONDAY, 19TH FEBRUARY 2007

PRESENT: Councillors Mrs. S. J. Baxter (Chairman), C. B. Lanham (Vice-Chairman), 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

Officers Mr. K. Dicks, Mrs. C. L. Felton, Miss J. Pickering, Mr. N. Shovell and Mr. A. C. Stephens

Mr. J. Gorrie and Mr. N. Rafiq (KPMG LLP)

28/06 **TO RECEIVE APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor A. N. Blagg.

29/06 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

No interests or whipping arrangements were declared.

30/06 **TO CONFIRM THE MINUTES OF THE LAST MEETING OF THE BOARD HELD ON 21ST NOVEMBER 2006**

The Minutes of the meeting of the Audit Board held on 21st November 2006 were submitted.

Having not been in attendance at the previous meeting, Mr. Shovell responded to the questions raised in Minute Nos. 25/06 and 26/06 -

- (i) in relation to the question of the £111 million worth of fraud and overpayments identified by the National Fraud Initiative, it was reported that the most recent figures submitted to the Audit Commission in January 2006 showed that £8,300 related to the Bromsgrove District;
- (ii) of the eleven Audit Quality Questionnaires issued, ten completed forms had been received in response; and
- (iii) as to the definition of 'key committees', CIPFA guidance states that this would include the Executive and Scrutiny functions.

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

31/06 **ANNUAL EXTERNAL AUDIT REPORT 2005/2006**

The Chairman welcomed Mr. J. Gorrie, a Director of KPMG LLP (UK), the Council's appointed Auditor, together with Mr. N. Rafiq, Assistant Manager at KPMG LLP (UK).

Mr. Gorrie and Mr. Rafiq formally presented their report which summarised the work undertaken by KPMG throughout the year. The Audit of Data Quality was described in further detail as this was a new area for review, introduced by the Audit Commission. Mr. Rafiq outlined the three stage process which had been carried out and explained the findings of the review. Members then gave consideration to the Annual External Audit Report 2005/2006 document.

RESOLVED:

- (i) that the Annual External Audit Report for 2005/2006 be noted and accepted;
- (ii) that the management response recommendations to the External Audit Report for 2005/2006 be endorsed; and
- (iii) that the thanks of the Board be expressed to the Auditors for the valuable and beneficial working relationship during the last few years.

32/06 **COMPREHENSIVE PERFORMANCE ASSESSMENT (CPA)**

A report setting out the Council's Comprehensive Performance Assessment self assessment was submitted.

RESOLVED: that the self assessment, including the contextual information, the summary paragraph at the start of each key line of enquiry and the conclusions, as set out in Appendix 1 to the report, be noted and taken into account when considering the future work programme of the Board.

33/06 **2007/2008 AUDIT PLAN**

Members gave consideration to the Council's Internal Audit Plan for 2007/2008.

RESOLVED:

- (i) that the Internal Audit Plan for 2007/2008, as detailed in the report, be noted and approved; and
- (ii) that brief details of the new process relating to the employment of Agency and Casual Staff, referred to on page 61 of the report, be forwarded to Members of the Board.

34/06 **AUDIT PERFORMANCE AND WORKLOAD**

The Internal Audit Performance and Workload information was submitted for consideration by Members, which detailed the current workload and performance of the Internal Audit Section.

RESOLVED: that the contents of the report be noted and approved.

35/06 RECOMMENDATION TRACKER PROCESS

A report setting out the new process for monitoring implementation of 'priority one' recommendations in audit reports was submitted.

RESOLVED:

- (i) that the new processes which had been adopted for monitoring the implementation of 'priority one' recommendations be noted and approved; and
- (ii) that 'priority one' recommendations, together with those which are more than one month overdue (or colour-coded as 'red'), be reported to meetings of the Board.

36/06 AUDIT BOARD SELF-ASSESSMENT AND TERMS OF REFERENCE

Members gave consideration to both the updated Self Assessment document relating to the Board, and the updated Terms of Reference for the Board.

RESOLVED:

- (i) that cross membership by Members of the Board with other scrutiny functions carried out by the Council be considered acceptable for the time being, but that this question be reviewed following further Member Development training in the near future;
- (ii) that the action taken following the completion of the CIPFA Self-Assessment document, referred to in Minutes No. 26/06 of the meeting of the Board held on 21st November 2006, be noted and approved; and
- (iii) that the updated Terms of Reference be noted and approved.

37/06 AUDIT BOARD WORK PROGRAMME

A report detailing to both the Board's work programme and the Internal Audit Performance Indicators was submitted.

RESOLVED:

- (i) that the Corporate/Strategic Risk Register be added to the Scrutiny Steering Board Work Programme for analysis/inspection during the third quarter of the next municipal year; and
- (ii) that the report be noted and approved.

38/06 RISK MANAGEMENT STRATEGY AND PROCESS

Members gave consideration to a report, which was to be submitted to the Executive Cabinet's meeting on 7th March 2007, relating to the Council's revised Risk Management Strategy.

RESOLVED:

- (i) that, in relation to the Audit Board risk management roles and responsibilities, as detailed in the table on page 5 of the Risk Management Strategy document (*or page 107 of the combined report documentation*), the Executive Cabinet be informed that the Board

considered the first bullet point should to be amended to read as follows:-

- Scrutinising the Council's decisions to ensure that they meet the requirements of effective risk management and, in order for this to be achieved, to have oversight of the strategic risk register.
- (ii) that updates to the strategic risk register be reported to the Board at each meeting; and
- (iii) that, in all other respects, the report be noted and that the Executive Cabinet be recommended to approve the revised Risk Management Strategy.

39/06 **CONFIDENTIAL REPORTING CODE**

Members gave consideration to a report, which was to be submitted to the Executive Cabinet's meeting on 7th March 2007, relating to the Council's revised Confidential Reporting Code.

RESOLVED:

- (i) that the Head of Legal and Democratic Services be authorised to make any amendments deemed necessary to the Confidential Reporting Code following consultation with employees' representative organisations; and
- (ii) that, in all other respects, the report be noted and that the Executive Cabinet be recommended to approve the revised Confidential Reporting Code.

The meeting closed at 7.20 pm

Chairman