

MINUTES OF THE AUDIT COMMITTEE
Tuesday, 4th March 2008 at 7.00 pm

PRESENT: Councillor Cummins (Chair) and Councillors J Moher and HM Patel.

1. Declarations of Personal and Prejudicial Interests

None.

2. Minutes of the Previous Meeting

RESOLVED:-

that the minutes of the previous meeting held on 18th December 2007 be approved as an accurate record.

3. 3rd Internal Audit Progress Report 2007/08

Officers introduced an update report on the progress of the internal audit. It was explained that they were on target to complete nearly all of the audits that had been planned for the year, with 750 out of 1224 audit days already completed by the end of December 2007, and asked the committee to note that this was a significant improvement on previous years.

Officers took the Members through a summary list of audits, particularly noting those that had been completed since the last meeting of the committee, as well as those that had yet to be finalised but that were due to be reported to meetings held on a later date.

During discussion Members reported concerns about delays in sending out grant payments to voluntary organisations and asked if this problem had been picked out in the relevant internal audit. Officers replied that a number of issues, such as the collection of information when assessing grant claims, had been identified but that problems with delayed payments hadn't been among them. However, it was explained that they were due to perform a repeat audit within the next year and they would examine this closely. It was noted that the improvements that had been suggested by the auditors so far had been welcomed by the relevant officers so it was suggested that they would also respond to any new ideas received at the subsequent audit. Members of the Committee requested that officers provide a report to a future meeting of the Audit Committee on this issue at an appropriate time.

There was also a short discussion regarding the Northview School report relating to the recommendation for improvement that the school had not accepted. Officers explained that the school had considered the option of using private security for transporting money as too expensive to pursue.

RESOLVED:-

that the committee note the progress made in achieving the 2007-08 Internal Audit Plan.

4. **Internal Audit Plan 2008/09**

Introducing a report on the proposed audit plan for 2008/09, Simon Lane (Head of Audit and Investigations) explained that the plan had not been completely finalised as discussions were still ongoing with senior directors but that this draft provided a good summary of the areas that officers felt needed examining in the next year. It was explained that a final version of the plan would be available in time for the next committee meeting.

It was explained that the overall plan was to undertake 1,200 audit days next year split across all the service areas but that there would be an emphasis on schools audits, with particular focus on the need for all primary schools to be Financial Management System in Schools (FMSIS) accredited by the end of 2010.

It was further explained that the initial goal had been to complete 40% of accreditations by March 2008 but that only 3 schools were likely to have achieved this status by that point.

During discussion Members expressed support for the overall audit framework and in particular the need to support schools with their accreditation efforts.

A question was asked as to whether the delay in completing the primary school FMSIS accreditations would result in any financial penalties. Officers explained that there were no financial penalties but that the requirement to work with more schools at the same time could mean that there were less audit days left to devote to other service areas.

RESOLVED:-

that the Audit Committee note the details and content of the report.

5. **Annual Review of Governance 2007/08**

Officers provided the committee with a report on corporate governance issues and the Annual Governance Statement. Members were reminded that they had been presented with information regarding the new Best Practise regime at the previous meeting and that this report was taking the process forward from that point.

Officers highlighted how all the senior and key officers in the council had been consulted and that together they had produced the information contained in the report and that this outlined their assessment of those areas where they felt the governance of the council was strong and where there were shortfalls that should be addressed.

Members were asked to comment on the report and highlight those areas that they felt were particularly important so that these could be incorporated into a presentation that would be prepared for all Members of the Council.

A general discussion followed during which Members expressed a number of views regarding the overall governance framework of the council in particular

with regard to the Executive model of governance as it was felt that this provided most Members with very limited opportunities to examine and scrutinise the decisions taken by the Executive.

Officers replied that they were not able to examine the overall structure of the council as this had been agreed by Members but that they would try and take these issues into account.

Finally, there was a further discussion on different ways to engage with Members on this issue with the suggestion that officers examine a number of options including seminars and also detailed discussions with senior Members from all parties.

RESOLVED:-

that the Audit Committee note the contents of the new framework, officers' assessment of the current governance arrangements and the proposed action plan items.

6. **Date of the Next Meeting**

The date of the next meeting was to be agreed by the meeting of Full Council on 19th May 2008.

- Subsequent to the meeting, dates for the municipal year 2008/09 were agreed as follows:
 - Wednesday 25th June 08
 - Wednesday 24th September 08
 - Wednesday 17th December 08
 - Wednesday 4th March 09

7. **Any other business**

None.

The meeting ended at 7.36 pm

M CUMMINS
Chair

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