Minutes of the Audit Committee

28<u>th</u> January, 2008 at 2.45 pm
at the Fire Service Headquarters, Birmingham

Present: Councillor Gazey (Chair);
             Councillor Wild (Vice Chair);
             Councillors Spence and Turner.

Observer: Mr C Topliss.

Apology: Councillor Ali Khan.

1/08   Welcome and Introductions

The Chair welcomed all those present to the inaugural meeting of the Committee.

2/08   Establishment of the Audit Committee – Next Steps

The Committee noted its terms of reference and Statement of Purpose.

The Committee was reminded that the Authority had decided that with effect from the Annual Meeting in 2008/09, the membership of this Committee would include one independent Member without voting rights to serve for a three-year term of office. The Clerk had been authorised to advertise the vacancy, and this Committee would shortlist and interview candidates and make a recommendation to the Authority on a suitable appointment.

The Committee considered a suggested job description for the independent Member. The Committee felt that the list of skills required for the role were desirable rather than essential for the role. It was also noted that the Independent Remuneration Panel was currently reviewing the policy with regard to the payment of allowances to independent Members, and that this would need to be reflected in the advertisement for the post.

The Committee also considered a draft work programme.

> **Resolved:-**
>
> (1)   that the job description for the role of independent Member be approved, subject to the amendments referred to above;
>
> (2)   that meetings of the Committee be held at 2 pm on the following dates:
>
> 31st March, 2008
> 9th June, 2008
> 7th July, 2008
> 6th October, 2008
>
> (3)   that the draft work programme as now submitted be approved.

3/08   **Internal Audit – Terms of Reference**

The Committee considered proposed terms of reference for Internal Audit, in accordance with the Chartered Institute of Public Finance Accountants Code of Practice which stated that the purpose, authority and responsibility of internal audit must be formally defined by the organisation. The terms of reference would be subject to an annual review.

> **Resolved** that the terms of reference for Internal Audit, as now submitted, be approved.

4/08   **Internal Audit – Progress Report**

The Committee noted a report on internal audit work undertaken during the current year indicating progress made against the delivery of the 2007/08 Audit Plan. The information included in the progress report would inform the overall opinion given in the Internal Audit Annual Report issued at year end.

A number of areas were currently under review: accounts receivable; procurement; maintenance of vehicles; National Fraud Initiative; pro-active fraud; assurance mapping framework; risk management; governance; West Midlands Regional Management Board; and

accounts payable. Reports would be submitted in due course on these matters.

The bi-annual audit of payroll was complete and a number of issues had been identified and referred to management, including the need to establish a means to verify that requests for changes to payroll had been appropriately checked and authorised. Discussions were ongoing with management on this matter. Members questioned the efficacy of sample checks and electronic audit trails and it was agreed that Officers would report back on the matter at the next meeting.

One key issue was outstanding from work carried out in 2006/07, relating to absence management. A computerised absence monitoring system had been introduced in December 2007 but was still under development. A recommendation from 2006/07 relating to data collection and analysis had therefore been rolled forward for review in due course.

(The meeting ended at 3.27 pm)

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