

Minutes of the Audit and Performance Management Committee

**9 January 2012 at 1.30 pm
at Fire Service Headquarters, Birmingham**

Present: Councillor Turner (Chair);
Councillor Griffiths (Vice-Chair);
Councillors Docker, Singh and Tranter;
Councillor Douglas-Maul (Lead Member for
Performance Management);
Mr Ager (Independent Member).

1/12 Minutes

Resolved that the minutes of the meeting held on 10 October, 2011, be approved as a correct record, subject to the addition of Councillor Docker to the list of those present.

2/12 Internal Audit Progress Report

The Committee received the Internal Audit progress report which set out matters arising from internal audit work carried out up to November 2011 and progress against delivery of the 2011/12 Internal Audit Plan. Internal Audit had reviewed progress made in embedding environmental policies within the organisation and had carried out a review of bank account reconciliations. This work would inform the overall opinion in the Internal Audit Annual Report.

3/12 Internal Audit Terms of Reference

The Committee was advised that it was good practice to review annually the terms of reference for Internal Audit. Proposed terms of reference were submitted for consideration. In connection with the paragraph relating to reporting lines and relationships, it was reported that amendments were required to reflect the current management structure.

Resolved that the terms of reference for Internal Audit be approved, subject to the amendment referred to above.

4/12 Review of Organisational Assurance

The Committee was advised that a review of organisation assurance had commenced in February 2011 which aimed to determine what activities or areas the Service must provide assurance for and why; what assurance measures were currently in place and how effective they were; and to determine any overlaps or gaps in assurance, how these should be addressed, and any resource implications.

The review report was submitted for the Committee's consideration. Actions to address the recommendations set out in the report would be monitored via an implementation plan and the Committee would be kept informed of progress with this. Some of the areas of work identified had been superseded by national initiatives, and others had already been completed. The main areas now being taken forward were:

- Assurance mapping in respect of the Corporate Risk Register;
- Development of a local audit process for areas of concern;
- Review of 2012/13 internal audit plans;
- Development of peer review arrangements with other metropolitan fire and rescue services to provide external operational assurance;
- Review of the provision of legal services;
- A process for correcting inaccurate work;
- Review of the Standing Order on Corporate Risk Management.

Data quality issues were being addressed through a separate review and it was anticipated that all other work would be completed by the end of March 2012. The use of bespoke applications had been avoided because of cost implications and the long lead-in time for implementation.

Those present made the following observations:

- Recommendation 1 - Assurance should be provided in respect of all level 3 strategic risks within the assurance map. The assurance map would be a valuable monitoring tool for the Committee;
- Recommendation 3 - Internal audit was already subject to a healthy level of challenge;
- Consideration should be given to the possibility of developing an ICT package to assist with assurance monitoring;
- Risk also needed to be linked to corporate objectives and the Plan. Future performance reports to the Committee could be more focused by removing some of the detail.

Audit and Performance Management Committee – 9 January 2012

- External audit arrangements and the constitution of the Audit and Performance Management Committee would be changing and this needed to be reflected in recommendation 7.3

Resolved that the Committee be provided with a quarterly progress report on the implementation of the recommendations set out in the organisational assurance report.

5/12 Update on Topical, Legal and Regulatory Issues

Resolved that a report be submitted to the next meeting on the progress of the consultation with regard to the future of audit.

6/12 Work Programme 2011/12

The Committee noted its work programme for 2011/12. It was agreed to defer business from 5 March 2012 to the meeting to be held on 26 March 2012 thus enabling cancellation of the 5 March meeting.

7/12 Date of next meeting

26 March 2012 at 1.30 pm.

(The meeting ended at 2.45 pm)

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