

Minutes of the Audit and Performance Committee

10th January 2011 at 1.30 pm
at Fire Service Headquarters, Birmingham

Present: Councillor Turner (Chair);
Councillor Docker, Eustace and A Hill;
Mr Ager (Independent Member).

Also Present: Councillor Douglas-Maul (Lead Member Performance Management)

1/11 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 2010/11 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.

Audits had been completed on goods receipting, accounts receivable, management of cash on fire stations, absence management, and partnership arrangements. The Committee noted the recommendations arising from each audit.

Audits were underway on governance, payroll, treasury management, accounts payable, procurement, and recommendation follow-up.

2/11 Internal Audit Terms of Reference

The Committee was informed that it was recommended good practice to review the Internal Audit terms of reference on an annual basis.

The original terms of reference, approved by the former Audit Committee on 28th January, 2008, had been prepared in line with the example given in the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 (see Minute No. 3/08). No changes were proposed to the terms of reference.

Resolved that no changes be made to the Internal Audit

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Terms of Reference and that the Terms of Reference now submitted be endorsed.

3/11 Annual Audit Letter 2009/2010

The Committee received the Annual Audit and Inspection Letter for 2009/10.

The letter reported that the Authority had sound arrangements for the production of its financial statements and an unqualified opinion had been issued on the Authority's accounts. The letter also reported that the Authority had in place adequate arrangements for securing economy, efficiency and effectiveness.

Performance was judged to be satisfactory against all criteria within the use of resources assessment and the letter reported that the Authority:-

- had a good track record of operating within budget;
- had improved performance whilst delivering savings;
- maintained a cost base that compared favourably to its peers;
- had robust performance management arrangements in place;
- had well developed and embedded governance arrangements;
- had effective arrangements to secure a productive and skilled workforce.

Significant improvements identified on use of resources included enhancements to medium term financial planning and improvements to the use of risk management.

The letter also set out the Audit Commission's intended new approach to undertaking value for money work for the 2010/2011 audit, following the abolition of the Comprehensive Area Assessment) (CAA) framework.

The management of natural resources had been assessed for the first time in 2010 and the auditor had confirmed that the Authority had an awareness of its impact upon the environment and had a sound strategic approach in place supported by a range of practical initiatives.

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4/11 Review of Procurement Standing Orders

Further to Minute No. 96/09 of the Authority (30th November, 2009) the Committee noted a report on the operation of the Authority's Procurement Standing Orders, particularly in respect of the revised tender acceptance process.

Since the introduction of the revised procedures, retrospective quarterly reports had been received by the Executive Committee on 6th September, 2010 and 10th January, 2011.

Resolved that the continued use of the revised Procurement Standing Order be approved.

5/11 Update on Topical, Legal and Regulatory Issues

The Committee noted that the Chartered Institute for Public Finance and Accountancy (CIPFA) had issued guidance on the role of a head of audit. A further detailed report would be submitted to a future meeting.

6/11 Work Programme 2010/11

The Committee noted its work programme for 2010/2011.

(The meeting ended at 2.15 pm)

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