

**Minutes of the Audit and Performance  
Management Committee**

**6<sup>th</sup> June 2011 at 1.30 pm**  
**at Fire Service Headquarters, Birmingham**

**Present:** Councillor Turner (Chair);  
Councillor Clinton (Vice-Chair);  
Councillor Docker;  
Mr Ager (Independent Member).

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

**Apology:** Councillor Eustace.

20/11 **Minutes**

**Resolved** that the minutes of the meetings held on 7<sup>th</sup> and 28<sup>th</sup> March, 2011 be confirmed as a correct record.

21/11 **An Analysis of Progress of Corporate Performance Against  
'The Plan' – Quarter Four 2010/2011**

The Committee noted performance against key indicators and progress made in delivery of objectives contained within 'The Plan' for the fourth quarter of 2010/2011.

Overall the Service was improving and meeting targets across a range of performance indicators, and measures had been put in place to address areas where performance was below target.

One of the fifteen corporate actions plans had been completed ahead of its deadline and ten others were on target to be completed on time. One action plan [heritage] had been removed as a strategic objective.

Corporate risks had been reviewed and their risk rating remained unchanged. There was potential for increase in the risk relating to insufficient or ineffective staff resources and this was being addressed through the Building Upon Success programme and day to day resource management.

## **Audit and Performance Management Committee – 6<sup>th</sup> June 2011**

### **22/11 Benchmarking against CIPFA Red Book 2 – Managing the Risk of Fraud – Action Plan Update**

The Committee was advised that the Committee had approved an action plan arising from a self assessment against CIPFA's Red Book 2 in relation to managing the risk of fraud. All those actions had now been implemented.

### **23/11 Reviewing the Effectiveness of Internal Audit**

The Committee was advised that the Accounts and Audit (England) Regulations 2011 required authorities to conduct a review of the effectiveness of internal audit at least once a year. It was appropriate for this review to be carried out by this Committee.

The Committee received evidence from the Treasurer as to the conduct of the internal audit process against a number of measures of effectiveness as follows:

- The process by which the control environment and key controls have been identified;
- The process by which assurance has been gained over controls;
- The operation of this Committee and the internal audit function to current codes and standards;
- An assessment against the five principles set out in the CIPFA document 'The role of the Head of Internal Audit'.

**Resolved** that the review of effectiveness of Internal Audit, as now submitted, be approved.

### **24/11 Annual Internal Audit Report 2010/11**

The Committee received the Annual Internal Audit Report for 2010/11, which detailed the work carried out by the internal audit service during the year. The report indicated that as a result of this work, Internal Audit could provide reasonable assurance that the Authority had adequate and effective governance, risk management and internal control processes, which was an indication that there were no major weaknesses in those processes. This was an 'unqualified opinion' which was the highest level of assurance that could be given by the internal audit service. The annual report was one element of the evidence that underpinned the Governance Statement the Authority was required to make within its annual financial statements.

## **Audit and Performance Management Committee – 6<sup>th</sup> June 2011**

The report also summarised the key control issues that had arisen during the year and recommendations made by the internal audit service to address those issues.

**Resolved** that the Annual Internal Audit Report 2010/11 be approved.

### **25/11 Future of Local Public Audit - Consultation**

The Committee considered a report with regard to the Department of Communities and Local Government consultation entitled 'The Future of Local Public Audit', which set out the Government's vision for the public audit framework following the abolition of the Comprehensive Area Assessment. The deadline for consultation responses was 30<sup>th</sup> June 2011.

All members of the Authority had been provided with details of the consultation document.

A draft response on behalf of the Authority had been prepared and was submitted for the Committee's consideration.

The Committee gave discussed the response, but felt more time was needed to consider the detail of the proposals before commenting on the response.

**Resolved** that consideration of this matter be adjourned to a special meeting of the Committee to be held on Monday, 13<sup>th</sup> June, 2011 at 1.30 pm.

### **26/11 Monitoring Policies on Raising Concerns at Work – Whistleblowing Standing Order 2/20**

The Committee received a report with regard to the monitoring of referrals under the Whistleblowing Standing Order 2/20. Only three incidents or concerns had been raised by employees in the twelve months to 30<sup>th</sup> April 2011. Two were in relation to alleged financial irregularities which were fully investigated and resolved. The third was in relation to internal promotion processes and was fully investigated by the Monitoring Officer and resolved. There were no substantive actions necessary as a result of any of the investigations.

The Whistleblowing Standing Order was currently under review in line with the Service policy to review standing orders every three years.

## **Audit and Performance Management Committee – 6<sup>th</sup> June 2011**

### **27/11    Update on Topical, Legal and Regulatory Issues**

There were no updates.

### **28/11    Work Programme 2010/11**

The Committee noted its work programme for 2010/2011.

(The meeting ended at 3.40 pm)

<p><i>Contact Officer: Stephnie Hancock Democratic Services Unit Sandwell Metropolitan Borough Council 0121 569 3189</i></p>
--