

Minutes of the Audit Committee

29th March, 2010, at 1.30 pm
at Bickenhill Fire Station, NEC, Solihull

Present: Councillor Turner (Chair);
Councillor M Robinson (Vice-Chair);
Councillors Skinner and Spence.
Mr Ager (Independent Member).

16/10 **Minutes**

The Committee received the minutes of its meeting held on 11th January, 2010. In respect of Minute No. 6/10, Members requested that the following sentence be added before the final paragraph:-

“In relation to the final bullet point, Members requested that equality issues be observed.”

Resolved that, subject to the addition of the following sentence before the final paragraph in Minute No. 6/10:-

“In relation to the final bullet point, Members requested that equality issues be observed.”

the minutes of the meeting held on 11th January, 2010, be confirmed as a correct record.

17/10 **Internal Audit Progress Report**

The Committee noted a progress report on the work of internal audit in delivering the 2009/2010 Internal Audit Plan.

In relation to the Key Issue Arising, on the petty cash investigation referred to in the report, the Committee was informed that the discrepancies had occurred as a result of poor practice and lack of training. The officer concerned had undergone re-training and the findings of the investigation would be disseminated to all stations as part of the Management of Cash Audit.

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The report would feed into and inform the overall opinion in the Internal Audit Annual Report issued at year end.

18/10 **Strategy for Internal Audit – 2010/2011 to 2012/2013**

The Committee received a proposed Strategy for Internal Audit for the period 2010/2011 to 2012/2013.

The Strategy was not static but was a dynamic plan, which would be updated periodically to reflect changes in the risks faced by the Authority. In the period covered by the strategy, the priority and frequency of audit work would be subject to amendment in order to recognise alterations in the audit needs assessment/risk analysis, caused by changes within the Authority and the requirements of the Audit Committee and senior managers.

During the year regular meetings would be held with senior managers and the external auditors to review the plan and discuss the scope, nature and timescales of planned reviews. Any changes to the strategy would be brought before the Audit Committee for approval.

Resolved that the Internal Audit Strategy for 2010/2011 to 2012/13, as now submitted, be approved.

19/10 **Internal Audit Risk Management Audit Report**

The Committee noted the issues raised as a result of the risk management audit undertaken by Internal Audit in 2009/2010.

The overall conclusion from the review was that the risk management process, including assurance mapping, was continuing to be driven forward within the Authority, with an established process of review for the corporate risk register and strategy. Work was continuing to further embed risk management, with particular emphasis on the further development of the corporate risk register and the introduction of risk registers linked to strategic objectives.

Four 'Significant' and two 'Merits Attention' recommendations had been made, which included finalising and implementing the proposed organisational action/improvement plan. The following recommendations had been made regarding member involvement in the risk management process:

- Provision of risk management training for all Members.

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- Identification of a member to ‘champion’ risk management.
- Presentation of the Corporate Risk Register to the Audit Committee on a more regular basis, so that it becomes more embedded in the work of the Committee.

A date would be identified after the annual meeting to deliver risk management training to all Members.

Councillor Robinson was nominated as the Member Champion for risk management for the remainder of the municipal year.

It was agreed that a summarised version of the Risk Management Register would be presented to the Committee on a quarterly basis.

20/10 Corporate Risk Management Strategy

The Committee received a revised Risk Management Strategy, which had been updated to take account of recent organisational changes.

The Committee noted in particular changes to paragraphs 2.4.6 and 2.5 of the strategy.

Members commented on Appendix 1 of the document and the reference to ‘political’ as a source of corporate risk. Members were advised that this was a widely used model to assist organisations in identifying potential sources of corporate risk. The ‘political’ heading referred to organisational risks which could be affected by politics, for example, the Regional Control Centre.

The revised strategy would be published in line with current organisational procedures and reviewed in 12 months.

Resolved that the revised Corporate Risk Management Strategy, as now submitted, be approved.

21/10 Audit Committee – Skills Audit Results

The Committee noted the results of the Audit Committee Member Skills Audit.

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Officers were requested to look at providing training after the Committee's first meeting of the new municipal year to address the skills gaps identified.

22/10 Update on Topical, Legal and Regulatory Issues

The Internal Audit Manager referred to a Chartered Institute for Public Finance and Accountancy (CIPFA) briefing paper on 'Helping Audit Committees to be Effective', which had previously been circulated to Members.

The briefing papers would be published three times a year and each one would include a main feature, together with pointers to new developments or guidance that audit committee members would need to be aware of. The focus for this first edition was reviewing the audit plan.

The Committee noted the paper.

23/10 Work Programme 2009/10

The Committee noted the work programme for the remainder of 2009/10.

Resolved that the Clerk update and re-circulate the work programme.

Date and time of next meeting

Monday 7th June 2010

(The meeting ended at 2.45 pm)

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