

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOM
2/3, CIVIC OFFICES, ANGEL STREET, BRIDGEND ON THURSDAY, 12 JULY 2006 AT
2.15PM

Present:-

Councillor J C Spanswick - Chairperson

Councillors

Councillors

D A D Brett

M L Simmonds

A E Davies

W H C Teesdale

G Davies

M C Wilkins

R M Granville

Officers:

L M James - Deputy Chief Executive and Executive Director – Resources
I Pennington - KPMG
G Doak - Group Auditor
N Richards - Acting Assistant Director - Human Resources
R Harries - Trainee Cabinet & Committee Officer

110 APOLOGIES FOR ABSENCE

Councillor D T Anderson - Holiday

Councillor M Mathias - Work commitments

Councillor W May - Unwell

Councillor A E Davies advised the Chairperson that she would need to leave the meeting at 3.15pm

Mr N Meredith - Unwell

111 NON-ATTENDANCE DUE TO OTHER COUNCIL BUSINESS

The Chairperson advised that Councillor M C Wilkins was attending another meeting, but would join the Audit Committee after the meeting was over. (Councillor Wilkins subsequently entered the meeting at 3.30pm).

112 DECLARATIONS OF INTEREST

Councillor A E Davies declared an interest in agenda item 5(v), as she is Chair of the Board of Governors of Porthcawl Comprehensive School. She left the meeting prior to this item being discussed.

113 MINUTES OF PREVIOUS MEETINGS

RESOLVED: That the minutes of the Audit Committee dated 1 June 2006 be approved as a true and accurate record, subject to them being amended to reflect that the proposed demonstration of TRENT be open to all members, not just the Audit Committee.

114 MATTERS ARISING

Further to minute number 106, the Group Auditor advised that, due to recent pressures of work in the Audit and Legal Sections, the proposed detailed comparison of CIPFA and Bridgend County Borough Council procedures would be presented to the next meeting.

115 NATIONAL FRAUD INITIATIVE REVIEW

The Deputy Chief Executive and Executive Director - Resources submitted a report on the above matter.

Mr Pennington of KPMG summarised the report and confirmed that the initial concern over the low levels of frauds discovered by Bridgend County Borough Council at this stage had proved to be unfounded. The low numbers reflected the robust procedures in place, which meant that fraud was detected at an earlier stage, than may have previously been the case.

Regarding recovery of over-payments of benefit, Officers confirmed that due to the difficult circumstances of many claimants, it was not always possible or desirable to reclaim all over-payments.

Certain Members expressed concern that, whilst vigorous procedures were in place to prevent benefit fraud, this was not the case all across the Authority, resulting in loss of money in other areas.

RESOLVED: That the report be noted, and its comments be welcomed.

116 COMPLETED AUDITS

The Group Auditor introduced the above report on audits into the Trade Waste IT System and Cash and Bank, both of which had been deemed as satisfactory.

In response to questions from Members, he clarified that the Trade Waste audit had been limited to the IT system only, therefore no recycling issues had been considered. He added that, due to the complexity of the Authority's bank accounts system, thirteen days was around the expected time scale for the Cash and Bank audit.

RESOLVED: That the report be noted

117 WRITTEN STATEMENT OF PARTICULARS

The Group Auditor introduced the above report. He advised Members that Management comments referred to in the report were now finalised and included in the supplementary report.

The Acting Assistant Director - Human Resources outlined the management comments. She reminded Members that the Human Resources Department was currently undergoing a massive change programme, and confirmed that there was a need and desire to make improvements, share best practice and fully utilise the TRENT system.

Members acknowledged the challenges currently facing the Human Resources Department. All agreed that previously, standards had been set too low, and welcomed the Acting Assistant Director's positive response to the needed improvements.

Members queried the Management comment to item number 3, which related to the retrospective issuing of Written Statements of Particulars. The Acting Assistant Director clarified that the comment was intended to be an alert that this would take up resources, which in time would need to be balanced against the needs of the flagship project.

She further clarified that the implementation date referred to the initial fact finding exercise, not the tackling of the backlog itself. She confirmed that she would be happy to strengthen the management comment to reflect these points.

The Group Auditor advised that the Audit Department would normally revisit its findings after approximately one year. The Acting Assistant Director agreed to submit a report to the Committee before this date, and assured Members that new staff were presented with Written Statements of Particulars, with immediate effect.

- RESOLVED:
- (i) That the report be noted.
 - (ii) That the Acting Assistant Director - Human Resources present a follow-up report to the Audit Committee in three months time.

118 INTERNAL AUDIT BUSINESS PLAN

The Deputy Chief Executive and Executive Director - Resources outlined the above report and expanded upon the background to the formulation of the Business Plan, which was attached at Appendix C. He noted the potential role for scrutiny in improving and monitoring business plans across the Authority.

Members welcomed the report but commented that they would have expected to see more detail regarding the budget information. They also noted the need to ensure that the scrutiny function did not become overloaded.

- RESOLVED:
- (1) That the report be noted.
 - (2) That the Committee await a further report on the results of the CIPFA Benchmarking exercise.

119 SCHOOLS ANNUAL REPORT 2005/06

The Group Auditor submitted the above report, which provided a summary report on the schools audits undertaken in 2005/06.

He advised Members that the Audit Department did not have access to the schools' private funds, which would be used to fund school trips, etc and were separate from any money received from Bridgend County Borough Council. These were audited by volunteers, who signed a certificate, as did the Chair of Governors.

He noted that the 'toolkit' supplied by the Audit Department to headteachers had proved to be useful.

Members expressed concerns regarding CRB checks being undertaken on those supply teachers who came from agencies, rather than direct from Bridgend County Borough Council.

The Group Auditor advised Members that progress was being made on this issue, but concerns remained. He noted that it was the responsibility of the schools involved to ensure that the agencies were carrying out the relevant checks.

The Committee agreed that the Audit Department should send a letter to all schools, advising them that the Authority was currently examining its processes regarding CRB checks and reminding them of the importance of doing the same.

In response to questions from Members the Group Auditor clarified the way in which the discrepancies between expected and actual income from school meals could

occur. For example, if a child who had ordered a meal went home sick before lunch, a charge would still be made for the meal.

He added that lack of evidence that various quotes had been considered for amounts over £1000 was fairly common, but had no exact numbers at this time.

- RESOLVED: (1) That the report be noted.
- (2) That the Audit Department send a letter to all schools, reminding them of the importance of ensuring CRB checks for all staff.

120 "TICK 'N' BASH"

The Group Auditor presented the above report on a new newsletter designed to communicate common problems and issues to schools. The first issue was attached at Appendix E. He informed Members that the title referred to an audit item for a particular type of audit.

RESOLVED: That the report be noted.

121 ANY OTHER BUSINESS

Certain Members requested that a copy of the initial Audit Report, referred to in the report into the Electoral Services Investigation presented to Council on Monday 10 July, be made available to the Audit Committee, with a view to possibly investigating procedures in the Electoral Department further back than the time period covered in that report. The Deputy Chief Executive and Executive Director - Resources urged caution on this issue in light of the ongoing criminal investigation and possible appeals against dismissal.

RESOLVED: That the initial Audit Report, referred to in the report into the Electoral Services Investigation presented to Council on 10 July 2006, be considered by the Audit Committee at its next meeting. A decision as to whether to pursue the issue further shall be taken at that time.

The meeting closed at 3.40pm.

