

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN THE COUNCIL CHAMBER, CIVIC OFFICES, ANGEL STREET, BRIDGEND ON WEDNESDAY, 20 DECEMBER 2006 AT 2.15PM

Present:-

Councillor J C Spanswick - Chairperson

Councillors

Councillors

D T Anderson
D A D Brett
G Davies

P A Evans
R M Granville
W May

M L Simmonds
W H C Teesdale
M C Wilkins

Officers:

Mr N Meredith - Chief Internal Auditor
Mrs G Woollen - Personnel Officer, H R Department
Mr G Lloyd KPMG
Ms V de Zouche KPMG
Mr M A Galvin - Senior Cabinet & Committee Officer

Observers:

Councillor W B Evans -
Councillor M Gregory

155 APOLOGIES FOR ABSENCE

Councillor A E Davies - Unwell
Mr A Phillips
Mrs N Richards

156 NON-ATTENDANCE DUE TO OTHER COUNCIL BUSINESS

None.

157 DECLARATIONS OF INTEREST

None.

158 MINUTES OF THE PREVIOUS COMMITTEE MEETING

RESOLVED: That the minutes of the meeting of the Audit committee held on 16 November 2006 be approved as a true and accurate record.

159 COMPLETED AUDITS

The Chief Internal Auditor submitted a report, which gave details of a completed Audit in relation to Residential Establishments and Day Centres for People with Learning Disabilities, where the Audit opinion was that adequate controls were in place in this section.

The Chief Internal Auditor pointed out that there was an error in the report, namely that in the column headed 'Audit Days', the figure there should read 57 and not 25, as was shown.

The Chief Internal Auditor advised that the main reason why there weren't details of other completed audits within the report, was due to the fact that he had to divert resources into special and ongoing investigations. He added that there was also, at the request of the Interim Chief Executive, some non-standard work ongoing in respect of Building Maintenance Arrangements. Details on the outcomes of the above, would in turn be reported to Committee.

In conjunction with this item, he advised Members that there was a new Code of Practice for Audit in Local Government, and that this would mean that the Annual Report on Internal Control and Internal Audit Performance would in future include certain financial information, such as the amount of time (i.e. hours) staff spend on resources in relation to auditing work. This information had also been requested by certain Members of the Committee

RESOLVED: That the report on the completed Audit outlined above, be noted.

160 ACTING ASSISTANT DIRECTOR – HUMAN RESOURCES
WRITTEN STATEMENT OF PARTICULARS

The Chief Internal Auditor submitted a report which advised Members that the Acting Assistant Director – Human Resources(HR) would be attending the meeting to advise Members verbally on progress on the Action Plan (attached to the report), in relation to the Written Statement of Particulars Audit, that was first presented to the Committee on the 12th July last.

The Acting Assistant Director – HR was unable to attend the meeting and in her place Mrs G Woollen, HR Personnel Officer, deputised.

The Action Plan was divided into six sections and the HR Personnel Officer gave the following updates on each section in order:-

1. There was no mechanism in place which would confirm that all Written Statements of Particulars of Staff had been returned in respect of employees previously recruited some time ago. However, such Written Statements of Particulars had been provided to all such employees. There had been no queries in relation to this issue over the last few years and management had made a decision following the understanding of a Risk Assessment, that the amount of work required to undertake such a task would far outweigh any potential risk that may arise out of not fully completing such a task.
2. In respect of casual employees, if employees are with the Authority for a period in excess of three months, they will automatically receive Written Statements of Particulars. This procedure not only accords with a Corporate decision of the Authority, but was also a legislative requirement.
3. When Written Statements of Particulars are returned, this is 'flagged up' on the TRENT system. Should these not be returned by staff, a reminder letter is sent and eventually Written Statements of Particulars re-provided, should they not be returned following employees receiving their reminder letter. It is anticipated that the completion of the above procedures onto software will be concluded

upon completion of Human Resources being centralised, subject to resources being available.

4. In respect of specific reference to the Council's Grievance & Disciplinary policies, it was acknowledged that this was now an historic problem and that the recommendation in the WSOP's covering letter in relation to all policies of the Authority be utilised in future, in the standard covering letter used in relation to WSOP's.
5. In relation to advising new employees in the covering letter of the Council's policies, particularly newly introduced ones, including how they can be accessed, Members were advised that Human Resources were now using a revised pro-forma to incorporate this, with the assistance of the TRENT system.
6. There is still a small backlog of WSOP's, but testing had shown that these are sent out within the prescribed timescales, in keeping with good practice. However, certain policies and procedures which include this are currently the subject of review and updating, as necessary. It was anticipated that this, coupled with the relocation of the centralised Human Resources Unit would result in some significant improvement in this area of work in the future.

Members generally accepted the comments made by the Officer, in that the issues highlighted in the Action Plan for WSOP's were either being addressed, or were historic problems that similarly were being rectified.

RESOLVED: That both the report and the comments made verbally at the meeting on the recommendations contained in the WSOP Action Plan, be noted.

161 ACTING ASSISTANT DIRECTOR – HUMAN RESOURCES
POLICY CRIMINAL RECORDS BUREAU CHECKS

The Chief Internal Auditor presented a report which advised Committee that an Officer would be in attendance at the meeting, verbally updating Members on the Authority's policy on CRB checks.

Attached to the report was a copy of a report on the same topic considered by the Committee on the 30th June 2005, together with the relevant minute and additional information in the form of a Briefing Note including CRB Policy & Practices: Task & Finish Framework, sent out to Members the day after the agenda for the meeting was distributed.

Mrs Woollen, HR Personnel Officer, was present at the meeting to respond to the provisions of the report, in the absence of the Acting Assistant Director – HR.

The Officer advised that although CRB checks were carried out throughout the Authority, following a review it had been established that the procedures undertaken with regard to these checks were done most effectively within the Personal Services Directorate. In view of this, and due to an inconsistent approach adopted to CRB checks throughout the Authority, it was added that such procedures adopted within this Directorate should be used by all Directorates when undertaking CRB checks.

The HR Personnel Officer also advised, that as soon as the new Assistant Director – HR was in post in early January 2007, a number of Human Resources initiatives

would be introduced and this would include the introduction of a CRB team, to look at improving the way we carry out CRB checks, though work on a CRB Policy had already commenced.

The HR Personnel Officer further advised, that the timetable regarding this subject matter had slipped behind due to the recent staffing problems that had been experienced within the Corporate Services Human Resources Department.

Members generally accepted the comments made by the Officer, however, they were not totally satisfied that CRB checking was as 'tight' as it ought to be and in light of this, follow-up action was suggested and agreed upon.

Arising from conclusion of the discussions, it was:-

- RESOLVED:
- (1) That the report be noted.
 - (2) That the Executive Director – Learning be invited to the Committee (by next March), in order to discuss policy issues with regard to the system in place in relation to CRB checks, in order that the Committee may gauge the progress that is being made on this important topic.

162 PRESENTATION BY THE CHIEF INTERNAL AUDITOR
HOW THE INTERNAL AUDIT SECTION CONDUCTS AN AUDIT

The Chairperson accepted the following item as urgent in accordance with Part 4 (paragraph 4) of the Council Procedure Rules, in order that Committee Members could be brought up to speed, for information purposes, on how the Internal Audit Section conducts an audit.

The Chief Internal Auditor gave a Presentation on the above topic, so that Members of the Committee could benefit from having explained to them, the various stages that relevant Officers go through when they conduct an audit.

The Presentation covered the following:-

From Plan to Report

- How we conduct an Audit

Selecting the Audit

- Audit Plan – but also sometimes:
- Special Request
- Special Investigation

Allocated to a 'Lead Auditor'

Assessing the Risks

- Initial assessment of risks
- Made by Lead Auditor
- Reviewed by Team Leader

Agreeing the Scope

- Draft 'Audit Brief'
- Outlines Objectives of Audit
- Discuss with Management
- Sign off by Team Leader & Head of Internal Audit

Sharpening the Tools

- Choose or Prepare the Checklists & Audit Programmes
- Sometimes these will be 'Off the Shelf'
- Sometimes our own
- Always Tailored

Identify the System

- Discuss with Management key elements of the control system
- Identify Areas for testing

Testing

- Substantive or compliance Testing
- Mostly Compliance
- Identify what, why and how
- Carry out testing

Recording

- RECORD IN CLEAR WORKING PAPERS
- Working papers are reviewed by Team Manager

Initial Conclusions and Recommendations

- Draft initial conclusions & Recommendations
- Discuss and review with Team Manager

Discussion Document

- Draft Discussion Document
- Not always Done
- Very first draft of report
- Reviewed by Team Manger
- Then discussed with Management
- Correct Errors and Misunderstandings
- Get Management's Initial Reaction

Draft Report

- Prepare Draft Report
- Reviewed by Team Manager
- Send to Management for comment and response

Final Report

- Prepare Final Report incorporating Management Responses
- Review
- Despatch

Client Acceptance & Questionnaire

- Management's Formal Acceptance
- Feedback on conduct of Audit

Following the conclusion of the Presentation, the Chief Internal Auditor responded to questions from the floor, after which the Chairperson thanked him for his detailed and informative submission, the contents of which were duly noted.

The meeting closed at 3.35pm.