

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOM
2/3, CIVIC OFFICES, ANGEL STREET, BRIDGEND ON WEDNESDAY, 21 MARCH 2007
AT 2.15PM

Present:-

Councillor J C Spanswick - Chairperson

Councillors

D T Anderson
D A D Brett
A E Davies

Councillors

G Davies
P A Evans
R M Granville

Councillors

W May
M L Simmonds

Councillors

W H C Teesdale
M C Wilkins

Observer:

Councillor W B Evans

Officers:

G Moss - Executive Director - Resources
R G Jones - Executive Director - Environment
P A Jolley - Director of Legal and Democratic Services
M Hooker - Assistant Director - Planning
N Meredith - Chief Internal Auditor
K Lucas - Computer Auditor
G Doak - Group Auditor
E Samways - Group Auditor
G Lloyd - KPMG
I Pennington - KPMG
R Harries - Trainee Cabinet and Committee Officer

169 APOLOGIES FOR ABSENCE

Councillor B I Quennell - Prior engagement.

170 NON-ATTENDANCE DUE TO OTHER COUNCIL BUSINESS

None.

171 DECLARATIONS OF INTEREST

Councillor A E Davies - Agenda item 5biii - As she is a member of the Grand Pavilion Management Advisory Group.

Councillor G Davies - Agenda item 5biii - As his daughter works in the Grand Pavilion. Councillor Davies left the meeting whilst this item was considered.

172 MINUTES OF THE PREVIOUS COMMITTEE MEETING

RESOLVED: That the minutes of the meeting held on 16 February 2007 be approved as a true and accurate record.

173 AUDITORS' REPORT ON RETIREMENT OF THE CHIEF EXECUTIVE
- MAY 2006

The Executive Director - Resources submitted the above report, which outlined the conclusions of the Auditors. The Auditors' report was attached as an appendix. Mr Lloyd of KPMG outlined the main points of the report and drew Member's attention to their conclusions, as listed in paragraph 5.2. He reiterated that the Auditors saw no purpose in further investigating any of the issues covered. He advised that, whilst concerns remained regarding the monies allocated for future career support, it was accepted that legal opinion on this matter varied. It was important to note that this money had not been claimed in any event. He noted the concerns of the comment in the press regarding financial details, and advised that recommendations had been made regarding the application of codes of conduct for members and officers.

Members noted that concerns regarding the proposed payment for future career support had been raised by certain Members at the time. Certain Members also noted the Auditors' view that a decision on the Chief Executive's retirement should not have been reached until the investigation into Electoral Services was complete. It was agreed that the process had left the Authority better prepared for the future and presented real opportunities for improvement. The Director of Legal and Democratic Services confirmed that a Performance Management Framework for Senior Managers was now in place.

174 CODE OF PRACTICE FOR INTERNAL AUDIT IN LOCAL GOVERNMENT IN THE
UNITED KINGDOM 2006

The Chief Internal Auditor presented the above report, the purpose of which was to update Members on the most significant changes in the Code of Practice and to indicate where consequential changes to internal audit are likely to be needed.

RESOLVED: That the report be noted.

175 NATIONAL FRAUD INITIATIVE 2006

The Chief Internal Auditor submitted a report, which updated Members on the National Fraud Initiative (NFI) 2006 and the work currently underway in assessing its output. He advised that a further report would be submitted to Members in May.

RESOLVED: That the report be noted.

176 COMPLETED AUDITS - THE GRAND PAVILION

Councillor G Davies left the meeting due to the interest he had declared earlier.

The Chief Internal Auditor presented the report, which showed that Internal Audit considered processes at the Grand Pavilion to be well controlled. He advised that the number of Audit days required in this case was relatively high at 37, but this was because two auditors had been involved, one of whom was being trained.

Regarding checks on the qualifications of catering staff, the Group Auditor advised that Management would be expected to follow this up, but there had as yet been no follow-up audit undertaken to confirm this.

Members welcomed the positive outcome of this audit.

RESOLVED: That the report be noted.

177 COMPLETED AUDITS - SECTION 106 AGREEMENTS

The Group Auditor outlined the report, which showed that Internal Audit considered processes in relation to Section 106 Agreements to be inadequately controlled. He added that there was room for improvement regarding internal consultation between departments, such as Transportation and Parks, and the monitoring of the Agreements could be better controlled.

The Assistant Director - Planning agreed that the Agreements could be better monitored but advised that the Planning Department did not currently have the resources in order to do this.

Certain Members queried, of the sixteen agreements where developers were required to undertake works, how many were historical and how many were current. The Chief Internal Auditor advised that he would confirm this and write to advise Members of the numbers accordingly. Members raised concerns regarding the lack of Management responses. Concerns were also raised regarding the consistency of agreements between developments. The Assistant Director - Planning advised that as applications varied so much, it was important to look at each one on its own merits and not try to apply a blanket rule. He advised that all Section 106 Agreements entered into were consistent with government advice.

The Executive Director - Environment advised that a report on these issues would be presented to CMB, which would incorporate the comments and concerns raised by the Audit Committee. It was agreed that the responses of CMB would then be submitted to the Audit Committee in due course.

- RESOLVED:
- (1) That the report be noted.
 - (2) That the comments and concerns expressed by the Audit Committee be put to the Corporate Management Board (CMB).
 - (3) That the responses of CMB to the above, be submitted to the Audit Committee in due course.

178 ANY OTHER BUSINESS

The Chairperson advised Members that the next meeting of the Audit Committee would take place in the Council Chamber.

The meeting closed at 3.43pm.