

THE COMMISSION FOR LOCAL ADMINISTRATION IN ENGLAND

Minutes of the meeting of the Audit Committee held at Millbank Tower, Millbank, London, SW1P 4QP on 13 December 2005

Present: Mr C Swinson (Chair)
Mr T Redmond
Mr J White
Ms A Seex
Ms A Abraham
Mr N Karney
Mr P MacMahon
Mr N Jones
Mr M King
Mr S Jones
Mr R Weighell (PKF)
Ms K Sayer (Sayer Vincent)

Apologies: Mr A Lovett (Baker Tilly)

Minutes of meeting – 12 July 2005

These were confirmed as an accurate record of the meeting.

Anne Seex was welcomed to her first meeting of the Audit Committee by the Chairman.

Matters Arising

There were no matters arising.

External Audit (Baker Tilly)

There were no issues the external auditors wished to bring to the attention of the Audit Committee.

Internal Audit (PKF)

a. Resources Audit

Richard Weighell stated that the report circulated was the final version and that PKF were making two recommendations.

Recommendation 1

There were delays in the bank reconciliation in April/May thus not enabling any possible problems to be highlighted at an early stage. PKF made the point that the bank reconciliation should be undertaken as soon as possible rather than waiting for the month end accounts.

Recommendation 2

There was a need to provide for an additional delegated member of staff who could authorise money transfers should Stephen Jones not be available.

Chris Swinson asked whether there were any additional functions carried out by the finance team where cover was required in the absence of a key member of staff. Stephen Jones explained that the principal area related to the estates management area but this was currently being reviewed by the Deputies.

Richard Weighell was asked whether level of resources devoted to such systems were reasonable. He stated that benchmarking had been carried out and the rigour of internal control within the Commission was of a higher standard than that of a typical governing body of a similar size.

Tony Redmond further stated that the Commission relied heavily on hard copy documentation. Stephen Jones stated that the finance team would examine ways of using IT more effectively.

It was also noted that the recommendations from the last review had been taken into account.

b. Business Charge Card Audit

Richard Weighell introduced this paper and stated that this review was specific to senior managers.

He pointed out that the system relating to the use of charge cards for Commission expenses was a matter of concern. PKF had found that:

- Controls were not being operating properly
- Supporting documentation was not being supplied
- VAT receipts were not being supplied

However, it was found that there was no widespread abuse. Steps had been agreed to tighten the system and spot checks could be carried out as well.

Tony Redmond stated that there were additional issues around this report. The management action plan was robust but there needed to be a review on who has been issued with a charge card and the purpose of the card.

Stephen Jones agreed that individuals were currently not properly accounting for the use of their card and the finance team were not following up shortfalls.

It was agreed that the new procedures, paying proper regard to the points made, would be introduced.

c. Quality Control

Richard Weighell stated that the fieldwork had been undertaken but the report had not been finalised.

Annual Report on Major Contracts

Stephen Jones provided a background to the report and stated that:

- The report looked at the value and importance of the work to the organisation
- Regular reviews were carried out in light of the market changes
- The organisation depended on effective contractual performance
- The report had been produced in conjunction with the Deputies and FMs

a. Car Hire

There was to be a major review of use of hire cars as problems have been experienced by both the Coventry and York offices. There was a need to examine the travel issue in general.

b. Re-tender of Property Management

Three contracts were to be constructed for each of the offices and the work would be carried out by local contractors with one contract for all overarching activity.

c. External Legal Services

Good decisions were made at the appointment stage and the contractual arrangements worked well.

d. Print Management

The current contract is due to be extended but the Commission is due to go out to tender in conjunction with OPHSO.

e. Hardware Support

There is a need to re-examine the needs of the organisation in conjunction with what the current suppliers are able to offer.

f. Café Riverside

It was noted that the café is due to be relocated in due course. Ann Abraham stated that the café was an OPHSO initiative which had been supported by the Commission. The café formed part of OPHSO's business and accommodation strategy, assisted in encouraging staff to mingle and was assisting in OPHSO achieving its strategic objectives.

Losses and Special Payments: 1 July 2005 – 31 October 2005

Tony Redmond stated that the Commission would be notifying the ODPM of the proposed exceptional write off. It was further noted that savings in rental would recover this sum.

Waiving Financial Regulations

It was noted that Siemens met all of the requirements for the 3 offices in relation to video conferencing.

Risk Register Update

Nigel Karney provided a background to the report and highlighted the variations to the register since the last report.

Chris Swinson stated that there was a potential risk relating to maintaining the public image of the Commission which should be included in the register.

It was also noted that there would be a review of new staff, training and support.

Working Group Review

Kate Sayer reported that the groups were now much more aware of their purpose and it was recognised that once a group had achieved its goal it should either be dissolved or role changed. She further stated that AOs were being engaged more in the management role within the organisation.

Chris Swinson stated that the culture of the organisation needed to change and there was a frustration at the lack of speed to progress new initiatives. It was too easy to resort to establishing a group and therefore had become a habit.

Tony Redmond agreed and stated that this was a product of the history of the organisation. The Ombudsmen needed to have better oversight of the management organisation and this issue would be revisited.

It was agreed that a further review would be carried out after a year.

Any Other Business

Tony Redmond reported that the review on Governance was to be rescheduled to a future meeting in the new year.

Dates for meetings next year

The following dates and times were agreed:

10.30 am – Tuesday 14 March 2006

10.30 am – Tuesday 11 July 2006

10.30 am – Tuesday 14 November 2006