

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

AUDIT COMMITTEE MEETING HELD ON THURSDAY 12th JUNE 2008 AT CARADOG HOUSE, 1-6 ST ANDREWS PLACE, CARDIFF CF10 3BE

Commission

Rev H Davies (Chair)
Mrs S Smith
Mr P Wood

Secretariat

Mr E H Lewis (Secretary)
Mr S Halsall
Mr D Carr

Grant Thornton

John Golding

Welsh Assembly Government Internal Audit Services

Grant Vernon
Gemma Jones

Apologies for absence were received from Claire Thomas of Grant Thornton and Ann Marie Harkin of the Wales Audit Office.

1. Minutes of Audit Committee meeting held on 7th February 2008.

1.1 These were agreed and adopted.

2. Matters arising.

2.1 The Secretary reported that he had met with the Director of Finance Services of the Arts Council for Wales to discuss the possibility of shared financial services between AGSBs and that the response had been positive. It was intended that a meeting between the Chairs of all AGSBs should be held soon to further explore the possibilities of shared services. The Committee noted this development.

2.2 The Secretary reported that the issue of IT transformation was still being pursued with Merlin and that the Commission's Sponsor Division had now become involved in trying to take this forward.

2.3 The Secretary reported that he had written to the Auditor General for Wales as agreed at the last meeting. A disappointing response had been received.

3. Internal Audit Report 2007-08.

3.1 Mr Vernon reported that the 2007-08 Internal Audit had been completed in early 2008 and had been satisfactory overall. The scope of the review had included

high level controls, preparation for the all Wales electoral review and follow up on the previous year's recommendations.

- 3.2 All of the previous year's recommendations had been implemented. Because the all Wales electoral review was not due to commence until late 2008 the review of the Commission's work had been largely based around the procedures used for the current community reviews as it had been determined that the basic procedures for both types of review were the same. The overall conclusion was that there was a high level of compliances with the procedures already in place. In addition it was also found that a considerable amount of preparatory work had been undertaken by the Secretariat in readiness for the all Wales electoral review.
- 3.3 The audit had highlighted two areas of concern which could have an adverse effect on the all Wales electoral review, namely the possible delay in the Welsh Assembly government implementing the transformation of the Commission's IT system and the different version of MapInfo software on one review officers PC which was not compatible with the version of MapInfo on all other review officers PCs. It was reported that the Welsh Assembly were aware of both of these problems and were currently considering them but that it was not known when they would be resolved. The Audit had also raised several other minor issues. The Commission's Management Statement and Financial Memorandum had still not been finalised by the Welsh Assembly as it was awaiting amendments resulting from the introduction of the Government of Wales Act. The Commission's Business Continuity Plan had been found to be out of date and it had been recommended that this be updated as soon as possible and kept up to date by the Secretariat. **It was agreed** that paper outlining the possible options and solutions in respect of the Welsh Assembly Government's inability to provide the Commission with a timetable for IT transformation and resolving the MapInfo software version problem should be prepared for a future Commission meeting.
- 3.4 The Annual Certificate of Assurance would be issued by July 2008. It would be necessary to scope out the 2008-09 audit which would include the all Wales electoral review.

4. Audit of Annual Accounts 2007-08 ISA 260 Report.

- 4.1 Mr Golding reported that the audit of the Commission's 2007-08 accounts had been completed. The Audit findings were positive with no uncorrected misstatements and only a few minor audit adjustments to the accounts. It was expected that the Auditor General for Wales would be issuing an unqualified certificate and report on the financial statements upon receipt of the Commission's Letter of Representation. All recommendations made by the previous year's audit had been implemented.
- 4.2 The audit report addressed one concern in respect of the Commission's accounting and finance practices. It had been noted that for the past year the Commission had been using Sage accounting software to replace their old finance database and that some of the functions undertaken by the Commission's

accountant such as maintaining the Cash book were being duplicated by the use of Sage. It was suggested that in light of this the Commission should review the requirement for an external accountancy function. **It was agreed** that a paper would be prepared on the Commission's accountancy requirements for a future meeting.

5. Complaints (standing item)

Dyffryn Clydach Community Council

- 5.1 The Secretary reported that he had written to the Clerk of Dyffryn Clydach Community Council to advise him of further steps available as part of the Commission's complaints procedure and suggest that he may wish to raise the issue with the Commission's Sponsor Division. Although this long standing issue had not formally been considered a complaint against the Commission as it concerned allegations made by one community council against another it had now reached a point where the Commission's procedures were being called into question **It was agreed** that the Commission would formally enter the correspondence from Dyffryn Clydach Community Council in the complaints register.

6. Any Other Business

- 6.1 There was no other business.