

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

AUDIT COMMITTEE MEETING HELD ON THURSDAY 26th NOVEMBER 2008 AT CARADOG HOUSE, 1-6 ST ANDREWS PLACE, CARDIFF CF10 3BE

Commission

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

Secretariat

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

Grant Thornton

Mr J Golding

Welsh Assembly Government Internal Audit Services

Ms P Bowen-Bravery

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

1. Minutes of Audit Committee meeting held on 12th June 2008.

1.1 These were agreed and adopted.

2. Matters arising.

2.1 The Secretary reported that a meeting for Chairs and Chief Executives of AGSBs had been held in Caradog House and had been well attended. The main topics on the agenda had been possibilities for shared services and common problems with the Welsh Assembly. Minutes of the meeting had also been distributed to those AGSBs that had been unable to attend. The Secretary had also written to all AGSB Chief Executives to propose that a further meeting be held prior to the Chief Executive's next meeting with the Welsh Assembly's Permanent Secretary.

2.2 It was reported that the new Welsh Assembly Permanent Secretary would be holding a series of stock take meetings with Chief Executives of AGSBs. These meetings would be conducted by facilitators. The Commission considered that it would be helpful if they could meet the facilitators before the meetings in order to raise important issues with them regarding interaction between the AGSBs and the Welsh Assembly. **It was agreed** that the Secretary would try to arrange a meeting with the facilitators.

2.3 The Secretary reported that the transformation of the Commission's IT system had now been completed by the Welsh Assembly although there were still some outstanding minor issues.

- 2.4 It was reported that nothing further had been received in respect of the complaint made by Dyffryn Clydach Community Council and that they had not referred their complaint to the Welsh Assembly to date.

3. Additional Assurance Report and Management Letter 2007-08.

- 3.1 Mr Golding explained that the Additional Assurance Report and Management Letter mirrored the issues raised in the ISA 260 Report presented to Members at the last Audit Committee meeting but that it also contained formal audit recommendations. The recommendations were:

- That the Commission use Sage exclusively for collating finance information throughout the year and for the year-end closedown procedure;
- A comprehensive closedown timetable be drawn up by the Commission for the preparation of the 2008-09 financial statements;
- An agreement should be drawn up between the Commission and their accountants which outlined the respective roles and responsibilities of each party;
- Procedures should be drawn up for dealing with creditors debtors and accruals at the year end; and
- The Commission's amended Management Statement and Financial Memorandum should be signed as soon as possible.

- 3.2 Mr Golding said that the main reasoning behind those recommendations involving drawing up procedures was one of continuity and ensuring that the Commission would be able to operate as effectively as possible in the absence of key finance staff. The Commission had accepted all of the audit recommendations and made formal responses which had been incorporated into the Management Letter. **It was agreed** that the issue of continuity should be included in the Commission's Risk Register and Business Continuity Plan.

- 3.3 In respect of the recommendation regarding the Management Statement and Financial Memorandum being signed it was noted that this was dependent on the Welsh Assembly and it was considered that it would be necessary to try to escalate this issue with them. **It was agreed** that the Secretary would write to the Welsh Assembly Permanent Secretary to raise this issue with her.

- 3.3 Mr Golding reported that since the last Audit Committee meeting the Commission's accounts had been signed off by the Auditor General for Wales and laid before the Welsh Assembly.

- 3.3 The Additional Assurance Report for 2007-08 was a themed review for all AGSBs covering the use of agency staff and contractors. As the Commission did not appoint agency staff or contractors this part of the review had focused on the Commission's employment of staff seconded from the Welsh Assembly.

- 3.4 The Chair thanked Mr Golding for the work undertaken by Grant Thornton in carrying out the audit of the Commission's 2007-08 accounts.

4. Internal Audit Terms of Reference 2008-09.

- 4.1 Ms Bowen-Bravery reported that the delay in the Commission receiving the Electoral Review Directions from the Welsh Assembly had meant that the intended focus of the 2008-09 Internal Audit could no longer cover this area as had been originally intended.
- 4.2 It was noted that 2008-09 was the final year of the 5 year audit plan for the Commission and therefore an Audit Needs Assessment would need to be produced. The Commission considered that it would be desirable to continue with the Welsh Assembly's Internal Audit Service as their Internal Auditors. **It was agreed** that the Commission would look at ways to involve Internal Audit Services in the implementation of the recommendations made in the WAO's Periodic Review Report, particularly in the drafting of the Commission's Strategic Development Plan.

5. Complaints (standing item)

- 5.1 No Complaints had been received.

6. Any Other Business

- 6.1 There was no other business.