

WEST MIDLANDS REGIONAL ASSEMBLY

**Assembly Board of Directors
3 December 2008**

**Notes of the meeting of the Finance and Audit Committee – 4 June
2008**

Present: Dr Sarinder Sahota (SS) - Business
Roger Stone - Business
Marcia Lewinson - OSG
Cllr Rex Roberts - LG

Sharon Phillips (SP) – Head of Business and Financial Services
Kate Docherty – Policy and Corporate Support Manager

1. Apologies

Apologies were received from Elizabeth Newman and Cllr Jo Jones.

2. Notes of the Meeting held on 13 February 2008

The notes were **agreed**.

3. Financial Regulations and Guidelines

This item is on the agenda for the Joint Meeting with the WMLGA Resources Panel and the document covers both organisations but SP invited the Committee to consider this item ahead of the joint meeting.

The Committee welcomed the introduction of a Financial Regulations and Guidelines manual as a key management tool and provided some feedback specific to the Assembly.

The following amendments were requested:

- Paragraph 1.3.1 should include a statement about the nominations process for the OSG and Business sectors.
- Paragraph 1.3.2 to include the role of scrutiny.
- Paragraph 1.3.3 to state 'members undertaking the duties of'...
- Paragraph 1.3.5, 3rd bullet point – grammar to be corrected.

In addition members requested an electronic copy of the Dignity at Work policy [3.5.1] to which SP advised this was currently under review and would issue once completed.

RS asked if there was a document setting out the rules relating to the use of public funds [3.5.2] and SP agreed to clarify and include such as an appendix.

4. Any Other Business

There was none.

5. Date of Next Meeting

The next meeting will be held on the 15th October at 2.00pm venue to be confirmed.

6. Report of the Internal Auditor

This item is also on the agenda for the Joint Meeting with the WMLGA Resources Panel but SP invited the Committee to consider this item ahead of the joint meeting.

SP advised the Committee that the Debtors and Creditors audits had been undertaken for the second time and had received Full Assurance. Treasury Management had not been audited previously but received Significant Assurance.

The Committee were also advised that the treasury review would require a review of banking arrangements and that there was high priority regarding establishing a banking contract. However it was noted that the CoOperative Bank provides services to both organisations; that there is a good relationship in place, effective services being delivered and as a provider the bank has high ethical standards.

SS commented that there may be potential to explore improved interest earning opportunities. SP acknowledged this but advised that due to the quarterly funding arrangements for the Assembly it is now even more important to have the flexibility to access and move funds around to meet business need, however a full treasury management review is planned for 2009 and this will be an item for consideration.

The WMRA Finance and Audit Committee were then joined by members of the WMLGA Resources Panel for a Joint Meeting and consequently the following were also present:

Cllr David Smith (DS) – Chairman

Cllr Terry Dix

Cllr Norman Davies

Rebecca Neill (RN) – Internal Auditor from Walsall MBC – Item 2 only

2. Internal Audit Report

The Internal Auditor presented the report and findings on three recent audits to the joint meeting of both the WMLGA Resources Panel and the WMRA Finance & Audit Committee.

2.1 Debtors and Creditors

RN advised the Resources Panel that the Debtors and Creditors audits had been undertaken for a second year and recommendations made in the first report were reviewed to determine follow up actions implemented. RN reported that very good progress has been made as demonstrated on page three of the creditors report; any unimplemented recommendations have been reiterated but none of these gave rise for concern. These actions were either a work in progress or not a priority for implementation unless the needs of the organisation should change.

Both the Debtors and Creditors reviews have been given FULL ASSURANCE.

2.2 Treasury Management

RN advised the Panel that Treasury Management had been looked at for the first time. The report findings gave SIGNIFICANT ASSURANCE in terms of the organisation's current practices but with areas for attention and improvement being noted on page 2 of the action plan. The report also noted several areas of good practice including the use of a Finance Director, the organisations electronic banking software and the use of a 'sweeper system'.

It was noted that the recommendations made in the report should be considered as best practice and must be considered and acted upon in the light of imminent organisational change as a result of SNR and the LGA review.

There was only one high priority action which was to establish a Banking Contract. SP advised that the CoOperative had been the organisation's bankers for some time and although there did not appear to be a formal contract in place annual meetings are held with the bank to review the service provided and related costs.

SP agreed to take action to address this priority recommendation but also advised that a full review of treasury management practices would be undertaken in 2009 to accommodate recommended good practice.

SS asked that the thanks of both committees be passed on to Finance Team for all their hard work.

3. Financial Regulations and Guidelines

SP advised the committees that a Financial Regulations and Guidelines manual has been developed to be a key management tool. The committees were asked to endorse the introduction of the manual which will be issued to members of the Executive Committee, the Assembly Board, the Chief Executive, Directors and all Finance Officers as a guide to our financial framework and governance.

The manual will also be made available on the WMRA and WMLGA websites as a public document. A significant number of appendices are referred to and are available either from the website or via SP on request. All appendices are accessible to staff via the internal electronic systems.

Key points of note;

- The manual is an overview of existing practices and protocols already in place and will provide clarity for those responsible for financial management and will be a useful induction tool.
- It has already been used as a reference tool by Internal Audit who commended it as a key document.
- It documents processes and practices for both WMLGA and WMRA, and where variations occur, these are clearly identified in the document.
- The manual will be reviewed annually by the audit committees to ensure it remains a key governance and financial management tool.

- It will be monitored and revised regularly by the Head of Finance to ensure it remains relevant and up to date and reissued as necessary.
- A further internal document has been developed to provide details of supporting financial processes for use by staff administering activity and as a key induction tool.

SP noted a number of minor additions and amendments from members of the Assembly Finance and Audit Committee. Subject to the inclusion of these revisions the **Resources Panel approved** the introduction of the Financial Regulations and Guidelines manual as a key management tool; agreed that it should be issued to key officers; made available on the websites and reviewed annually by the audit committees. The **Assembly Finance & Audit Committee added their approval.**

The Finance & Audit Committee meeting was then concluded.