

AUDIT COMMITTEE

Monday 18th November, 2019, at 6.00 p.m.

Conference Room, Council House, Walsall

Present

Mr A Green (Independent Member and Chair)
Councillor Craddock (Vice-Chair)
Councillor Ali
Councillor Johal
Councillor Robertson
Councillor Young

In attendance

Head of Finance
Internal Audit Manager
Executive Director – Resources and Transformation
Director – New Art Gallery

Representative of Mazars
Representatives of Grant Thornton (GT)

58/19 Welcome / Apologies

The Chair welcomed all in attendance and asked everyone present to introduce themselves.

59/19 Minutes

A copy of the minutes of the meeting held on 23rd September, 2019, were submitted:-

(see annexed)

Resolved

That the minutes of the meeting held on 23rd September, 2019, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record, subject to corrections being made to Minute Nos. 55/19 and 57/19.

60/19 Declarations of Interest

None submitted.

61/19 **Deputations and Petitions**

There were no deputations submitted or petitions received.

62/19 **Local Government (Access to Information) Act, 1985 (as amended)**

That, where applicable, the public be excluded from the meeting during consideration of any items, as set out in the private part of the agenda, for the reasons set out therein and Section 100A of the Local Government Act, 1972.

63/19 **Notification of any issues of importance for consideration at a future meeting**

There were no issues raised under this item.

64/19 **Change in the order of Business**

Pursuant to Section 14 (C) of the Council's Rules of Procedure, within Section 4 of the Constitution, the Committee **resolved** that Agenda Item Nos. 12 and 13 be brought forward in order to deal with those items before the remaining agenda items.

65/19 **Private Session**

Exclusion of Public

Resolved

That, during consideration of the next item on the agenda, the Committee considers that the item for consideration is exempt information for the reasons set out therein and Section 100A of the Local Government Act, 1972, and accordingly resolves to consider that item in private.

66/19 **Follow Up of Priority 1 Recommendations**

A report was submitted.

(see annexed)

The Internal Audit Manager presented the report and highlighted the salient points contained therein.

Members considered the report and heard representations from the Director – New Art Gallery in relation to an Audit Report concerning areas within his

responsibility. Via a number of questions, Members sought assurance that the issues which had been highlighted were being addressed.

The Committee called for Management to work together with the New Art Gallery to help address the issues identified.

Resolved that the report be noted and that an update report be brought back to the February meeting of the Committee so it can monitor progress and get assurance that the control weaknesses identified are being adequately addressed.

(Exempt information by virtue of Paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

67/19 **Update on One Source Programme**

A report was submitted.

(see annexed)

The Executive Director – Resources and Transformation presented the report and highlighted the salient points contained therein.

Members considered the report and heard representations from the Executive Director – Resources and Transformation. Members asked a series of questions and sought assurance that the issues which had been highlighted were being adequately addressed.

Resolved that the report be noted and that an update report be brought back to the February meeting of the Committee to monitor progress and ensure that the risks were being managed effectively, including the control environment.

(Exempt information by virtue of Paragraph 3 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

Returned to public session.

68/19 **Committee Decision Tracking Chart**

A report was submitted:-

(see annexed)

The Clerk presented the report and highlighted the salient points contained therein.

The report outlined the purpose of the tracking chart which was to enable Members to monitor the various decisions taken by the Committee and provide a method of 'call-back' where required.

Resolved that the report be noted.

69/19

Strategic Risk Register – Update on Items 2, 7 and 5

A report was submitted:-

(see annexed)

The Executive Director – Resources and Transformation presented the report and highlighted the salient points contained therein.

The report detailed that the Committee, at its meeting on 23rd September, 2019, had received the Council's Strategic Risk Register. Following consideration of the register, the Committee had requested an update on the impact of BREXIT and for the Executive Director of Resources and Transformation to attend the next meeting to give assurances around Risks 2 & 7, and also BREXIT.

During discussions in relation to Risk No. 5, the Committee sought assurance that any staff affected by the EU Settlement Scheme were being provided with additional support. The Executive Director – Resources and Transformation confirmed that there were only a small number of staff affected by this scheme and that the Council would be providing additional support to them.

Resolved that the report be noted.

70/19

Counter Fraud and Corruption Arrangements

A report was submitted:-

(see annexed)

The Head of Finance presented the report and highlighted the salient points contained therein.

The report provided the Committee, whose delegated role was to provide independent assurance regarding the Council's Counter Fraud and Corruption Arrangements, with an update on: -

- The adequacy of counter-fraud and corruption arrangements, and
- A proposed work programme of counter fraud activity.

Arising from discussion on this item, the Chair referred to the Anti-Fraud training which had taken place before the meeting. For him, it was difficult to assess the risk exposure for the Local Authority in light of the resourcing issues. In view of this, he felt it would be useful to understand what the context for this was nationally and to also undertake some benchmarking with neighbouring Local Authorities, as there could be an opportunity to work collaboratively.

Resolved that the assurances provided from this report, as well as the future plans outlined, be noted.

71/19

External Audit – Audit Progress Report and Sector Update Year Ending 31 March 2020

A report was submitted:-

(see annexed)

The representatives from Grant Thornton presented the report and highlighted the salient points contained therein.

The report provided the Audit Committee with an update on the progress in delivering Grant Thornton's responsibilities as External Auditors and a summary of emerging national issues and developments that may be relevant to the Council, as set out within the report.

Arising from discussion on this item, the Committee expressed a desire for the Executive Director – Resources and Transformation to send a letter to the PSAA on behalf of the Committee expressing its concern at the delay in responding to the fee variation issue.

Resolved that the report be noted.

72/19

Internal Audit Progress Report 2019/20

A report was submitted:-

(see annexed)

The Internal Audit Manager presented the report and highlighted the salient points contained therein.

The report provided the Committee with an update on Internal Audit's progress on the 2019/20 audit plan, as set out within the report.

Resolved that the report be noted.

Termination of Meeting

The meeting terminated at 7.36 p.m.

Chair:

Date: