

AUDIT COMMITTEE

Monday 16th January, 2017, at 6.00 p.m.

Conference Room, Council House, Walsall

Present

Councillor Chambers (Vice-Chairman in the Chair)
Councillor Craddock
Councillor Harris
Councillor Robertson
Councillor Young

In attendance

Chief Finance Officer
Head of Finance
Treasury, Financial Administration and Systems Manager
Executive Director of Adult Social Care
Head of Community Care (Partnerships)

Councillor D. Coughlan – Cabinet Member for Social Care

Representative of Mazars
Representative of Ernst and Young

98/16 Welcome / Apologies

The Vice-Chair welcomed all in attendance.

The Vice-Chair advised that Mr Bell had sadly been taken ill and was in hospital. He advised that a get well soon card was being circulated for everyone to sign. The Committee wished to have its best wishes recorded for a speedy return to good health.

Apologies were received on behalf of Councillor Washbrook, Mr Green and Mr Bell.

99/16 Minutes

A copy of the minutes of the meeting held on 21st November, 2016, was submitted:-

(see annexed)

Resolved

That the minutes of the meeting held on 21st November, 2016, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

100/16 Declarations of Interest

Councillor Robertson declared interest in his capacity as a Governor of the Dudley and Walsall Mental Health Trust.

101/16 Deputations and Petitions

There were no deputations submitted or petitions received.

102/16 Local Government (Access to Information) Act, 1985 (as amended)

Resolved

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

103/16 Notification of any issues of importance for consideration at a future meeting

There were no issues raised under this item.

104/16 Independent Member to the Audit Committee – Term of Office Expiry

A report was submitted:-

(see annexed)

The Chief Finance Officer presented the report and highlighted the salient points contained therein.

The report advised that Mr Green's Term of Office was due to expire at the end of the 2016/17 Municipal Year and the options available to fill the vacancy.

The Chief Finance Officer clarified that he had sought advice and other organisations kept independent members for up to 9 years before they

considered their independence and Mr Green had now been an independent member for on the Audit Committee for 6 years.

Resolved that: -

1. the Council be recommended to approve an extension to Mr A Green's Term of Office as Independent Member to the Audit Committee commencing from the start of the 2017/18 Municipal Year, ending at the conclusion of the 2018/19 Municipal Year;
2. a recruitment exercise be initiated to fill the vacant position of Independent Member to the Audit Committee.
3. the Committee nominates Councillors Craddock and Chambers and Mr Bell to constitute an Interview Panel with a view to interviewing and recommending a new appointment to the vacant position of Independent Member to the Audit Committee.

105/16

Managerial Controls on Financial Spend in Adult Social Care

Before the Committee considered the report, the Vice-Chair reminded Members of the Committee's remit and that questions should be limited within the scope of the Committee remit. It was the Audit Committee's responsibility to seek assurances on the relevant controls in place to manage the budget. The detail behind this was the responsibility of the relevant Scrutiny Committee.

A report was submitted:-

(see annexed)

The Executive Director of Adult Social Care presented the report and highlighted the salient points contained therein.

The report set out that the Adult Social Care directorate had been experiencing ongoing pressures, mainly linked to the demand for significant packages and placement costs. This position had regularly been reported to the Social Care and Health Overview and Scrutiny Committee, with the most recent update presented to the Committee, for the forecast year end position as at the end of September, 2016, predicting revenue over-spend of £4.809m. This would be dependent on the implementation of the remaining undelivered action plan items (£0.136m), the use of reserves of (£1.813m), and the transfer to reserves of £0.448m. Without the successful implementation of the in year action plan and transfers to or from approved reserves the over-spend would be £7.584m.

In particular, the Executive Director of Adult Social Care highlighted what additional measures she had implemented to help keep the

budget on-track and sought any comments / suggestions / ideas as to other initiatives which could also be explored.

The Executive Director of Adult Social Care responded to a number of questions by Members in relation to if it was the Authority's intention to reduce care hours in the future and what the reason was behind the 'overpaying' as detailed in 3.12 of the report.

Resolved that the report, and controls that are currently in place, be noted.

106/16 **Treasury Management and Investment Strategy 2017/18 Onwards**

A report was submitted.

(see annexed)

The Treasury, Financial Administration and Systems Manager presented the report and highlighted the salient points contained therein. Furthermore, he advised that this Strategy followed the report to the last meeting at which the accompanying Policy had been approved.

The report provided Members with the Council's proposed Treasury Management and Investment Strategy for 2017/18 onwards. The Strategy would form part of a suite of documents included within the Council's Corporate Budget Plan for 2017/18 that would also be presented to Cabinet for recommendation to Council in February, 2017.

The Treasury, Financial Administration and Systems Manager responded to a number of questions by Members in relation to why the Capital Grants had reduced, what the difference was between the actual and authorised limit for borrowing as set out in table No. 7, whether the table on page 18 would be denoted when it was submitted to Council and who was responsible for determining an asset's 'lifespan'.

Resolved that: -

1. the Treasury Management and Investment Strategy 2017/18 onwards be noted and endorsed;
2. it be noted that any changes required as a result of the budget consultation, interest rate outlook, or Local Government Finance Settlement will be made prior to the final submission to Council for Approval of the Strategy.

107/16 **Ernst Young: Certification Work 2015/16**

A report was submitted:-

(see annexed)

The representative of Ernst and Young presented the report and highlighted the salient points contained therein.

Resolved that the contents of the report be noted.

108/16

Internal Audit Progress Report 2016/07

A report was submitted:-

(see annexed)

The representative of Mazars presented the report and highlighted the salient points contained therein.

Members thanked Officers in relation to the effort they had put in to the revised report format.

Members sought updates on a number of Audits identified within the report, those being: -

- Residential Charging
- Jane Lane School
- Adult Safeguarding
- Customer Engagement, Consultation and Complaint
- St Thomas of Canterbury Catholic Primary School

Resolved that the contents of the report be noted.

109/16

Private Session

Exclusion of Public

Resolved

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

110/16 **Dudley and Walsall Mental Health Partnership and Integrated Team
– Audit Progress Report**

A report was submitted:-

(see annexed)

The Head of Community Care (Partnerships) presented the report and highlighted the salient points contained therein.

The report provided an update on progress in relation to the Mental Health Audit undertaken in 2014/15.

Members sought assurances and obtained an update from the Head of Community Care (Partnerships) in relation to the latest position on this item.

Resolved that the progress made on this item to date be noted.

(Exempt information by virtue of Paragraphs 1 and 3 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

111/16 **Internal Audit Unplanned Activity Report 2016/17**

A report was submitted:-

(see annexed)

The representative of Mazars presented the report and highlighted the salient points contained therein.

The report provided the Committee with an update of the ongoing unplanned Audit work.

Resolved that the contents of the report be noted.

(Exempt information by virtue of Paragraphs 1, 2, 3 and 7 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

Termination of Meeting

The meeting terminated at 7.02 p.m.

Chair:

Date: