

## **AUDIT COMMITTEE**

**Monday 20<sup>th</sup> November, 2017, at 6.00 p.m.**

**Conference Room, Council House, Walsall**

### **Present**

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

### **In attendance**

Chief Finance Officer  
Head of Finance  
Internal Audit Manager  
Senior Finance Manager  
Corporate Information Governance and Assurance Manager  
Head of Information, Communications and Technologies

Representatives of Ernst & Young

#### **180/17 Welcome / Apologies**

The Vice-Chair welcomed all in attendance.

An apology was received on behalf Mr Green.

#### **181/17 Declarations of Interest**

None submitted.

#### **182/17 Deputations and Petitions**

There were no deputations submitted or petitions received.

#### **183/17 Local Government (Access to Information) Act, 1985 (as amended)**

That, where applicable, 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.

184/17      **Notification of any issues of importance for consideration at a future meeting**

There were no issues raised under this item.

185/17      **Information Commissioner Office (ICO) – Data Protection Audit (DPA)**

A report was submitted:-

(see annexed)

The Chief Finance Officer introduced the report and presented the Corporate Information Governance and Assurance Manager progress report and highlighted the salient points contained therein

The report provided the Committee with a status update on the Information Commissioner Office (ICO) Data Protection Audit recommendations as at the end of October 2017. It highlighted progress in relation to the completion of 49 recommendations and 1 overarching action made by the ICO following the recent audit and against the phased completion dates. The areas considered were Records Management, Data Sharing and Subject Access Requests (SARs).

The report also outlined the project team's plan to ensure any outstanding recommendations were met within the 12 month period agreed with the ICO. The ICO had reviewed the work completed to date and, as a result of the considerable work completed, had now closed the Audit.

Arising from discussion on this item, Members wished to have their thanks recorded for all the hard work undertaken by all of the Officers involved to get the Council to the present position on this matter. In addition, Members also wished to have their thanks recorded, in particular, in relation to the lengthy service to Walsall Council by the Corporate Information Governance and Assurance Manager who would soon be leaving the Council's employment.

Members sought an assurance in relation to if sufficient resources were in place for this service area to help deliver what was required and if staff recruitment / retention were an issue. The Corporate Information Governance and Assurance Manager assured the Committee that services / policies and practices had been redesigned to ensure that the service was efficient and deliverable. Furthermore, staff had also been trained to ensure that what was required of the service was deliverable, taking into account the change in law which was due to come into effect from next year. Interviews for her replacement were due to take place in the coming weeks.

**Resolved** that: -

1. the progress on the recommendations from the Information Commissioner's Office (ICO) Audit be noted
2. it be noted that on Monday 6<sup>th</sup> November the ICO confirmed that that their engagement with the Council in relation to the Audit is now closed.
3. the ongoing risks related to performance in Subject Access Requests and associated plans to address such risks be noted.

186/17

**Financial Health Indicators 2017/18**

A report was submitted:-

(see annexed)

The Chief Finance Officer presented the report and highlighted the salient points contained therein. In addition, he advised the Committee that the Government had made proposals to change the Capital Financing Regulations likely to come into force in 2018/19. The DCLG proposals on this matter were currently out for consultation. The Chief Finance Officer advised that a formal response will be submitted by the Council and that he would bring this matter back to the Committee in due course.

The report provided the Committee with details of the financial health indicators for the second quarter of the year (to 30<sup>th</sup> September, 2017) as shown at Appendix 1 to the report, including the current year end forecast position for both revenue and capital.

A Member queried how much of the 2015/16 Council Tax was expected to be collected / written off. The Chief Finance officer advised that the Council typically expected to collect around 98.8%. The Member then referred to the deficit in the Children's Services budget and queried what controls were in place to help control the overspend. The Chief Finance Officer advised that robust processes were in place to try and control this particular budget. However, this service was responsible for Looked After Children, which was both costly and relatively unpredictable.

**Resolved** that the financial health indicators be noted

187/17

**Annual Review of Treasury Management Policies and mid-year position statement 2017/18**

A report was submitted and responses to questions were tabled:-

(see annexed)

The Senior Finance Manager presented the report and highlighted the salient points contained therein.

The report set out the Council's review of treasury management policies (as set out at Appendix A to the report) and provided a mid-year position statement for treasury management activities (as set out at Appendix B to the report).

**Resolved** that: -

1. the Treasury Management Policies (as set out at Appendix A to the report) be approved and recommended to Council.
2. the mid-year position statement for treasury management activities 2017/18 including prudential and local indicators (as set out at Appendix B to the report) be noted and forwarded to Council.

188/17

### **Annual Audit Letter for the year ending 2017**

A report was submitted and responses to questions were tabled:-

(see annexed)

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

The report set out Ernst Young's Annual Audit Letter 2016/17. It summarised the key issues arising from the work that the external auditors had carried out at Walsall during 2016/17. The letter was designed to communicate Ernst and Young's key messages and conclusions to the Council and external stakeholders, including members of the public. The letter also covered the following work areas: -

- auditing the 2016/17 year end accounts; and
- assessing the Council's arrangements for securing economy, efficiency and effectiveness to ensure Value for Money (VfM) was achieved.

Arising from discussion on this report, the representative of Ernst and Young agreed to circulate further details to Members in relation to the Member Allowances figure as set out in 3.2 of the report on page 9.

**Resolved** that the external Annual Audit Letter for 2016/17 be formally received by the Committee.

189/17

### **Internal Audit Progress Report 2017/18**

A report was submitted and responses to questions were tabled:-

(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 for 2017/18 and performance for quarter two.

Arising from discussions on this report, Members queried whether it might be appropriate to redact some sensitive information which could potentially 'tip-off' criminals as to 'easy targets'.

**Resolved** that contents of the report be noted.

190/17

**To receive and note the reference from the Social Care and Health Overview and Scrutiny Committee at its meeting on 26<sup>th</sup> October, 2017, in relation to Minute No. 172/17 (Corporate Risk Register; Risk No. 11).**

Further to Minute No. 175/17 (Corporate Risk Register; Risk No. 11), the Committee noted the resolution (set out below) from the Social Care and Health Overview and Scrutiny Committee at its meeting on 26<sup>th</sup> October, 2017 in relation to its original referral to the Scrutiny Committee regarding Corporate Risk Register; Risk No. 11.

*"The Social Care and Health Committee were satisfied that the measures put in place to address the risk were robust and had achieved positive outcomes. Sufficient progress was being made by the local authority in relation to risk 11. The Committee will receive a report in 6 - 12 months time to ensure that progress has continued."*

### **Termination of Meeting**

The meeting terminated at 6.35 p.m.

Chair: .....

Date: .....