

## **AUDIT COMMITTEE**

**Monday 3<sup>rd</sup> September 2007, at 6.00 p.m.**

**Conference Room at the Council House, Walsall**

### **Present**

Councillor David Turner (Chairman)  
Councillor Rose Martin (Vice-Chairman)  
Councillor Chris Bott  
Councillor John Cook  
Councillor Haqnawaz Khan  
Councillor Ian Robertson

#### **413/07 Apologies**

Apologies for non-attendance were submitted on behalf of Councillor Sanders and Brian Warwick (District Audit).

#### **414/07 Minutes**

##### **Resolved**

That the minutes of the meetings held on 25<sup>th</sup> and 28<sup>th</sup> June (Special) 2007, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

#### **415/07 Declarations of Interest**

There were no declarations of interest.

#### **416/07 Deputations and Petitions**

No deputations were received or petitions submitted.

#### **417/07 Late Items to be introduced by the Chairman**

There were no late items to be introduced by the Chairman.

418/07 **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.

**Non-Executive Functions**

419/07 **Submission of Internal Audit Reports for Scrutiny**

The report of the Executive Director, was submitted:-

(see annexed)

Charles Barber (Internal Audit) enlarged upon the report and indicated that in respect of Direct Payments 28 recommendations had been agreed. 21 had been implemented and the remaining 7 would be completed by the 30<sup>th</sup> September, 2007.

With regards to the Short Heath Resource Centre, 49 recommendations had been agreed. 48 had been implemented and the remaining recommendation would be implemented by the 31<sup>st</sup> December, 2007.

Councillor Robertson referred to the fact that the number using Direct Payments were increasing substantially. Charles confirmed this trend and added that the incorrect use of Direct Payments carried its own risks so the monitoring of carers and clients was important. He added that Adult Services had created new posts to monitor these payments.

Councillor Robertson asked if audit were happy that an adequate number of staff were in post to monitor the situation. Charles replied that managers had confirmed that progress was being made.

Councillor Martin referred to the Direct Payments action plan reference 1.2 on page 9 and to the delays internal audit have experienced in obtaining a sample of service users' files.

Rebecca Neill (Internal Audit) reported that the manager concerned had been worried about client confidentiality being breached. However, that manager had been made aware that internal audit had a right of access to these files.

After further discussion it was,

**Resolved**

That the report be noted.

420/07     **Annual Audit and Inspection Letter 2005/06**

James Walsh made a power point presentation with the aid of slides (see annexed) he reminded the meeting that the audit commission had raised a series of issues regarding financial reporting and internal control. He added that the district auditor had stated that the working papers supplied to him by the Local Authority to assist him in his work had improved year on year.

With regards to accountability to the public, he reported that workshops had been carried out with members of the public to ascertain what it was they particularly wanted to know. The most asked question was how the Local Authority spent its money.

With reference to the application of contract procedures, James reported that a new manager was now in place and training was being undertaken to ensure procedures were followed. The tendering process was carried out in an open and transparent way so that the Council's actions could not be called into question.

With reference to NRF, James advised that follow up audits had been carried out with the district auditor and significant progress had been made. He suggested that the committee should receive further reports to future meetings on payroll processes and contract procedures to ensure that improvements were being maintained.

Councillor Turner confirmed that the committee would look again at payroll processes because of past difficulties and he hoped that the cabinet member concerned would be in attendance to highlight the improvements made. As 99 recommendations have been put forward it would take some time for these to be assimilated. He added that he would be pleased to see a report on contracts and again would like the cabinet member concerned to be in attendance to explain what improvements had been made.

With regards to the neighbourhood renewal fund, Councillor Turner requested that a follow up report later in the year and suggested that Clive Wright, Chief Executive of Walsall Strategic Partnership, should be invited to attend to explain whether he was happy with the progress which has been made.

Councillor Martin referred to the need for increased communication between the Council's Management Team and the Walsall Borough Strategic Partnership.

## **Resolved**

- (1) That the presentation be received and noted;
- (2) That further reports on payroll processes, contract control processes and neighbourhood renewal fund be submitted to future meetings of the committee.

### **421/07 Review of the Effectiveness of the Audit Committee**

James Walsh reported on the effectiveness of the Audit Committee and suggested that a series of workshops should be held to inform members of new developments. He referred to a CIPFA guide book which contained a check list of how Audit Committees should function and suggested that this should be trialled at a workshop. Copies of the booklet would be supplied to members in due course. He indicated that CIPFA had suggested that members of Audit Committee should not sit on Scrutiny Panels.

Councillor Turner suggested that there should be two training sessions; the first to deal with risk management and the second to review the efficiency of the audit committee with the use of the CIPFA booklet.

James suggested that a self-assessment should be carried out annually so that training was continuous and any new members were automatically included.

Councillor Robertson referred to a publication by the local government information unit entitled 'On the Money' – a guide to local government finance, which he had found useful. He added that the use of best practice was also important and the council should learn from other authorities which had a different slant on problem areas.

## **Resolved**

- (1) That a list of dates for workshops be drawn up;
- (2) That copies of CIPFA and Local Government Information Unit booklets be made available to the Members of the Committee

**422/07 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 by virtue of the appropriate Paragraphs of Part 1 of Schedule 12A of the Local Government Act, 1972 as amended, and accordingly resolves to consider the items in private session.

**Summary of items considered in private session**

**Risk Management Update 2007/08**

The Committee considered a report of the Executive Director regarding this matter and noted the current strategic risk register and the action taken in progressing the corporate risk management action plan; selected risks 42, 54 and 57 from the strategic risk register for review at a future meeting; approved a training session for members on a date to be arranged to refresh the Committee's own risk register and noted the work in progress to arrange the CPA key lines of enquiry for 2008.

(Exempt information under Paragraphs 1 and 8 of Part 1 of Schedule 12A of the Local Government Act, 1972) (as amended)