

AT A SPECIAL MEETING
- of the -
AUDIT COMMITTEE held at the
Council House, Walsall, on **Friday,**
9th July, 2004, at **6.00 p.m.**

PRESENT

Councillor Turner (Chairman)
Councillor Chambers
Councillor Griffiths
Councillor D. Pitt
Councillor Robertson
Councillor Mrs. Shires

APOLOGY

86. An apology for non-attendance was submitted on behalf of Councillor Martin.

DECLARATIONS OF INTEREST

87. There were no declarations of interest.

DEPUTATIONS AND PETITIONS

88. No deputations were received or petitions submitted.

LATE ITEMS TO BE INTRODUCED BY THE CHAIRMAN

89. There were no late items to be introduced by the chairman.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT, 1985

90. There were no items on the agenda for the meeting in respect of which the Committee considered that publicity would be prejudicial to the public interest by reason of the confidential nature of the business.

NON-EXECUTIVE FUNCTIONS

DRAFT STATEMENT OF ACCOUNTS 2003/2004

91. The report of the Head of Corporate and Strategic Finance was submitted:-

(see annexed)

The Assistant Director of Finance (Andy Burns) explained that the draft statement of accounts had to be approved by Committee before being put on deposit and being available for public inspection. The statement of accounts would be available for inspection from 23rd July until 19th August, 2004. Any Local Government elector, or their representative, could question the Authority's external auditor about the accounts on 20th August, 2004 commencing at 10.00 a.m. He added that for the fourth year running, the Local Authority had achieved its deadline of having the draft statement of accounts prepared by 30th June.

The Head of Corporate and Strategic Finance (Vicky Crowshaw) referred to Paragraph 1.4 of the covering report relating to the statement on the system of internal control and emphasised its importance. She also drew attention to Paragraph 13 of the introduction relating to financial reporting standard 17 (FRS17).

Councillor Chambers referred to the internal control imbalance referred to in the report. Michael Tomlinson explained what had happened on this occasion and added that systems had been put in place to prevent it happening again.

Councillor Robertson stated that he had asked a number of questions using e-mail and was pleased with the response he had received. He referred to the Council making payments to smaller organisations and asked where the Council's responsibility ended, especially when those groups also received funding from other organisations such as the National Lottery.

Vicky Crowshaw replied that protocols were in place to cover this matter.

Councillor Mrs. Shires referred to the problem of money laundering. Michael Tomlinson replied that the Council avoided this problem by only dealing with recognised Banks and Institutions. Only payrolls from "bona fide" groups were handled by the Authority. Andy Burns advised the meeting that the Local Authority dealt with relatively few cash transactions now, most being dealt with by electronic transfer.

Councillor Turner referred to the reserves. Vicky Crowshaw replied that nett general reserves of £6 million existed as at 31st March, 2004 and cabinet had, in addition, agreed that £2 million of ear-marked reserves could be carried forward.

Councillor Turner referred to the costs involved in preparing for the Euro. Andy Burns responded that a dedicated accountant was working on this matter but it was likely to be 2008/09 at the earliest before Britain joined the Euro. He indicated that the Government had not given guidance on whether it would contribute to implementation costs at the present time. He added that Euro compliance was being built into all new systems introduced by the Council.

Members referred to Paragraph 18 relating to pension costs and the concern over shortfalls. Michael Tomlinson responded that the deficit was not as great as in previous years. He added that the matter would be reviewed again in the Autumn when the position would be clearer. Andy Burns indicated that the West Midlands Pensions Fund was comparatively healthy compared to other pension funds.

Members asked a number of additional questions concerning different parts of the report and Miss Crowshaw answered them.

After further discussion, it was,

Resolved

92. That the Committee:-

- (1) approves the draft statement of accounts attached at Appendix 1 to the report now submitted in order that they may be placed on deposit for public inspection for 20 working days commencing 23rd July, 2004;
- (2) notes that the draft statement of accounts were submitted for external audit on 30th June, 2004;
- (3) endorses the statutory determinations set out in Paragraph 2 of the main report and Appendix 2 to the report.

TERMINATION OF MEETING

There being no further business, the meeting terminated at 6.45 p.m.

Chairman:

Date:

