

AUDIT COMMITTEE

Monday 23rd September, 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 Neville
Councillor Robertson
Councillor Young

In attendance

Head of Finance
Technical Accounting & Treasury Management Financial Manager
Executive Director – Adult Social Care
Head of Integrated Commissioning – Social Care
Internal Audit Manager

Representative of Mazars
Representative of Grant Thornton (GT)

44/19 Welcome / Apologies

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

45/19 Minutes

A copy of the minutes of the meeting held on 22nd July, 2019, were submitted:-

(see annexed)

Resolved

That the minutes of the meeting held on 22nd July, 2019, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

46/19 Declarations of Interest

None submitted.

47/19 **Deputations and Petitions**

There were no deputations submitted or petitions received.

48/19 **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.

49/19 **Notification of any issues of importance for consideration at a future meeting**

There were no issues raised under this item.

50/19 **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 No. 13 (Summary of Priority 1 Recommendations) be brought forward in order to deal with that item before the remaining agenda items.

51/19 **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.

52/19 **Summary of Priority 1 Recommendations**

A report was submitted along with a tabled update report.

(see annexed)

The report provided the Committee with updates on the implementation of priority 1 recommendations.

The Committee had invited the Executive Director – Adult Social Care along to the meeting to seek assurance on a number of issues within her Directorate.

The Executive Director – Adult social Care, with the assistance of the Head of Integrated Commissioning – Social Care, provided Members with an update on the priority 1 recommendations within her Directorate and gave assurance that plans were in place to address the issues identified.

The Committee thanked the Executive Director – Adult social Care for her openness and reported that it felt assured that the matters identified would be mitigated and / or rectified. It was agreed that an update report be brought back to the Committee for it to check on progress in due course.

The Committee then considered the remainder of this item.

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

Resolved that the report be noted.

(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.

53/19

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.

54/19

Post – Audit Statement of Accounts 2018/19 Amendments

A report was submitted:-

(see annexed)

The Technical Accounting and Treasury Management Financial Manager presented the report and highlighted the salient points contained therein.

The report was for information and outlined amendments which had been made to the 2018/19 Statement of Accounts prior to publication following Grant Thornton and the Council finalising their work for the audit process. Approval for these amendments was sought from the Chair of Audit Committee and Committee Members were advised prior to publication. The changes had no impact on the Council's reserves, assets and liabilities or net expenditure within the year.

Resolved that the changes made to the Statement of Accounts prior to publication, following Audit Committees approval at the 22 July, 2019, Committee meeting, be noted.

55/19 **Annual Audit and Inspection Letter for the year ending 31 March 2019**

A report was submitted:-

(see annexed)

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

The report presented Internal Audit's Annual Report and Opinion on the Council's Internal Control Environment 2018/19.

The report presented Grant Thornton's Annual Audit Letter 2018/19. The letter summarised the key issues arising from the work the external auditors had carried out at Walsall during 2018/19. The letter was designed to communicate 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 2018/19 year end accounts; and
- Assessing the council's arrangements for securing economy, efficiency and effectiveness to ensure Value for Money (VFM) was achieved.

The chair raised the issue of the fee variation, as set out in the report and requested the Chief Finance Officer to consider it.

Resolved that Grant Thornton's Annual Audit Letter be received.

56/19 **Review of the Effectiveness of the Audit Committee**

A report was submitted:-

(see annexed)

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

The report provided the Committee with an update in the arrangements for undertaking a review of the '*effectiveness of the Audit Committee*', as recommended by the Chartered Institute for Public Finance and Accountancy [CIPFA], and sought agreement from Member to a phased approach.

Arising from discussions on this item, Members welcomed a simplified approach to undertaking this requirement. In view of this, it was agreed that a phased approach would be undertaken, that a simple 'checklist' approach would be utilised and that a dedicated session be organised in February, 2020, to assist Members in completing the self-assessment form.

In addition, the Clerk agreed to send out additional reminders in relation to the training sessions.

Resolved that: -

1. the CIPFA recommendations to undertake a regular assessment of Audit Committee effectiveness be noted.
2. the assessment at Appendix 2 be considered against the 'Good Practice Checklist'.
3. that a session be arranged on 18th February, immediately preceding the Committee meeting, for Officers to assist Members in completing the self-assessment form.
4. the full CIPFA self-assessment guidance, as set out at Appendices 3 and 4 to the report, be noted.

57/19

Risk Management Update

A report was submitted.

(see annexed)

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

The report presented the audited Statement of Accounts along with a summary. Furthermore, the report also included Grant Thornton's Audit Findings Report on the Authority's accounts, including the Council's letter of representation, which the council was required to provide to Grant Thornton, to be signed by the Chief Financial Officer and Chair of the Audit Committee.

The report provided the Committee, as it had a delegated role to provide independent assurance on the adequacy of the risk management framework and the associated control environment, with: -

- an update on activity since April, 2019, which included the end of quarter one review of the directorate held risk registers; the August review of the

Strategic Risk Register; and the actions taken to continue to embed the Risk Strategy approved January 2019; and

- a refreshed Strategic Risk Register.

Arising from discussions on this report, Councillor Robertson queried the details behind the Amber rated Sickness Absence as set out on page 37 (6) on the agenda. The representative of Mazars agreed to prepare a briefing note on this matter for circulation to Members outside of the Committee.

Councillor Craddock referred to the Fraud and Corruption Amber rating on page 38 (7) of the agenda. The Head of Finance agreed to prepare a briefing note on this matter for circulation to Members outside of the Committee.

The Chair requested that the Executive Director – Resources and Transformation be invited to attend the next meeting of the Committee to give assurances around Risk Item Nos. 2 and 7 in view of the fact that both risks were of a similar nature, but had been scored differently. In addition, the Committee also requested that the Executive Director – Resources and Transformation be invited to the next Committee to provide assurance on the Council's position in regard to BREXIT, in terms of what the actual risks to the Council arising from BREXIT were.

Resolved that: -

1. the assurances provided within the report be noted;
2. the future actions planned in the coming period be note;.
3. the updated Strategic Risk Register, as at September, 2019, be noted.
4. The Executive Director – Resources and Transformation be invited to the next meeting of the Committee to provide assurance around Risk Item Nos. 2 and 7 and also the Council's position on BREXIT.

Termination of Meeting

The meeting terminated at 7.35 p.m.

Chair:

Date: