

AUDIT COMMITTEE

Monday 25 June 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

390/07

Apologies

An apology for non-attendance at the meeting was submitted on behalf of Councillor Sanders.

391/07

Welcome to new Members

Councillor Turner welcomed Councillors Bott and Cook as new Members of the Committee.

392/07

Minutes

Resolved

That the minutes of the meeting held on 16 April 2007, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

393/07

Declarations of Interest

There were no declarations of interest.

394/07

Deputations and Petitions

No deputations were received or petitions submitted.

395/07 **Late Items to be introduced by the Chairman**

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

396/07 **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

397/07 **Annual Audit and Inspection Letter**

The report of the Audit Commission was submitted:-

(see annexed)

John Gregory enlarged upon the report and indicated that it had been delayed this year because of the changes in the Audit Commission timetable for reporting CPA results and the appeal lodged in respect of the “direction of travel”. He drew particular attention to the summary and key findings contained in Page 4 of the report. Referring to the Neighbourhood Renewal Fund, he reported a vast improvement compared to previous years.

Councillor Turner stated that an interim report on NRF had been produced so that it could be considered in public. He hoped that the same could be done with the final report.

John Gregory reported that the draft report into the Peter Francis inquiry was currently out for consultation. Once the closing date had been reached and comments had been considered, the final report would be released.

Councillor Robertson asked if the Peter Francis report was likely to be delayed into August or September. John Gregory replied that he did not want the matter to extend beyond the end of July.

Councillor Martin stated that she had accessed the Neighbourhood Renewal Fund website and suggested that the Regeneration Scrutiny Panel should investigate the outcomes and targets which appeared to be missing.

Councillor Turner commented that as the accountable body, the Local Authority could oversee the process but was unable to control what was placed on the website.

Referring to Paragraph 20 of the report, Councillor Martin stated that improving services for elderly people was very important as Walsall had one of the highest elderly populations in the country.

After further discussion it was,

Resolved

- (1) That the Annual Audit and Inspection Letter be received;
- (2) That the Regeneration Scrutiny Panel be requested to investigate the outcomes and targets missing from the Neighbourhood Renewal Fund website.

398/07

The roles and responsibilities of the Audit Committee

The report of the Executive Director was submitted:-

(see annexed)

David Blacker enlarged upon the report and drew attention to the work programme and timetable for 2007/08 contained in Appendix 1 to the report.

Resolved

That the Committee notes the contents of the report and approves the work plan set out in Appendix 1 to the report.

399/07

Annual Report of the Chief Internal Auditor on the overall adequacies of the Internal Control Environment

The report of the Executive Director was submitted:-

(see annexed)

David Blacker reported that, based on the work of internal audit and its partner organisation in 2006/07, a satisfactory level of assurance could be provided in relation to the Council's overall system of internal control.

A summary of the report was provided.

Resolved

That the report be noted.

400/07

Statement of Accounts 2006/07 - statement on system of internal control and effectiveness review

The report of the Executive Director was submitted:-

(see annexed)

Vicky Buckley enlarged upon the report and explained her role in preparing the statement on the system of internal control and the statement of accounts.

James Walsh made a PowerPoint presentation on the system of internal control. A copy of the presentation details was handed to Members present at the meeting:-

(see annexed)

Following questions from Members it was,

Resolved

That the Committee:-

- (1) approves the findings and recommendations arising from the effectiveness of the review of Internal Audit (Appendices 1 and 2) and internal control (Appendices 3 and 4);
- (2) approves the statement on the system of internal control as set out in Appendix 5 to the report now submitted;
- (3) That the presentation be noted.

401/07

Statement of Accounts 2006/07 - Restatement of 2005/06

The report of the Executive Director was submitted:-

(see annexed)

Vicky Buckley enlarged upon the report and Richard Walley made a PowerPoint presentation on the restatement of accounts 2005/06. A copy of the slides was handed to Members present at the meeting:-

(see annexed)

Following questions from Members it was,

Resolved

That the Committee:-

- (1) notes the changes in accounting practice and guidance and the impact of this in respect of the annual statutory statement of accounts;
- (2) notes the restated 2005/06 accounts set out in Appendix 1 to the report;
- (3) notes the presentation on the restatement of accounts 2005/06.

402/07

Internal Audit Activity for the year ending 31 March 2007

The report of the Executive Director was submitted:-

(see annexed)

David Blacker enlarged upon the report and indicated that all targets had been achieved, although some were at a slightly lower percentage than in 2005/06.

Members selected the following completed audit reports from Appendix 4 for detailed scrutiny:-

Direct payments
Short Heath Resource Centre

Resolved

That the Committee:-

- (1) notes that in 2006/07 Internal Audit has delivered on all of its performance targets; maintaining a high level of overall performance for the year;
- (2) selects the following audit reports for detailed scrutiny;

Direct payments
Short Heath Resource Centre

403/07

Audit Fraud Toolkit and Training Slides

David Blacker referred to the presentations on fraud awareness training and the anti-fraud toolkit for managers, copies of which had been handed to Members present at the meeting:-

(see annexed)

He reported that the presentation had been produced to raise staff awareness of fraud. He suggested that detailed consideration of these matters should be undertaken at the training sessions to be held in July.

404/07

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 consider in private session

Internal Audit Activity for the year ending 31 March 2007

The Committee considered a report of the Executive Director regarding this matter and noted its contents.

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

Internal Audit Workplan and Charter 2007/08

The Committee considered a report of the Executive Director regarding this matter and endorsed the Internal Audit Workplan content and revised Audit Charter for 2007/2008.

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