

# **AUDIT COMMITTEE**

**Monday 5 September 2005 at 6.00 p.m.**

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

## **Present**

Councillor David Turner (Chairman)  
Councillor Rose Martin (Vice-Chairman)  
Councillor Keith Chambers  
Councillor Albert Griffiths  
Councillor Ian Robertson  
Councillor Mrs. Doreen Shires

### **212/05 Apology**

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

### **213/05 Minutes**

#### **Resolved**

That the minutes of the meetings held on 14 July and 29 July 2005, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as correct records.

### **214/05 Declarations of Interest**

There were no declarations of interest.

### **215/05 Deputations and Petitions**

No deputations were received or petitions submitted.

### **216/05 Late items to be introduced by the Chairman**

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

217/05 **Local Government (Access to Information) Act, 1985**

**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 by reason of Section 100A of the Local Government Act, 1972.

Councillor Turner welcomed Rebecca Neill and Charles Barber of Internal Audit to the meeting.

**Non-Executive Functions**

218/05 **Internal Audit: Performance for quarter ending 30 June 2005**

The report of the Executive Director was submitted:

(see annexed)

**Resolved**

That the Committee notes that, as at quarter 1 of 2005/06, Internal Audit has delivered on all of its performance targets; maintaining the high levels of overall performance achieved last year.

219/05 **Annual Audit Letter 2003/04 – Progress Report**

The report of the Executive Director was submitted:-

(see annexed)

Andy Burns referred to the appendix to the report and indicated that there was only one red and one amber traffic light relating to performance targets. He added that, when 2003/04 was compared with 2004/05, the percentage of targets showing decline in performance had reduced from 42% to 22%. This improvement was acceptable, but it was felt that it could be reduced further.

**Resolved**

That the Committee notes the progress against the key issues identified and to receive further progress updates throughout the next audit year.

220/05 **Audit and Inspection Plan 2005/06**

The report of the Audit Commission was submitted:-

(see annexed)

Brian Warwick enlarged upon the report and drew attention to the salient points.

Following questions from Members, it was:-

**Resolved**

That the report be noted.

221/05 **Audit Progress Report**

The report of the Audit Commission was submitted:-

(see annexed)

Brian Warwick enlarged upon the report and drew attention to the salient points.

Councillor Robertson referred to the client data base for social care and asked if it would be delivered on time. Brian Warwick replied that the system was in place, but it was a large system that was subject to frequent changes so maintaining total control was difficult. However, considerable effort had been put into ensuring that reconciliations between the system and the general ledger were more robust.

**Resolved**

That the report be noted.

**Private Session**

222/05 **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 paragraph(s) of Part 1 of Schedule 12A of the Local Government Act, 1972, and accordingly resolves to consider those items in private.

The report of the Executive Director was submitted:-

(see annexed)

Ann Johnson advised that a great deal of progress on risk management had been made. She reported that a risk management report would be submitted to the Committee on a quarterly basis and that all Members of the Council would be offered risk management training. She drew particular attention to the corporate risk management action plan and indicated that the Executive Management Team was happy with the proposals.

Councillor Martin referred to page 8 of the plan and asked if Members could receive a copy of the toolkit for managers. Ann Johnson agreed to supply Members with a copy of the toolkit when it was available.

### **Resolved**

That the Committee:-

- (1) notes the contents of the report and appendices;
- (2) agrees to Members receiving further risk management training;
- (3) notes the actions undertaken in progressing the corporate risk management action plans (appendix 1);
- (4) notes the contents of the corporate risk register and matrix (appendix 2) and selects the following risks for detailed report to the next meeting:-
  - (a) capital projects not delivered on time and to budget compromising improvement and investment agendas;
  - (b) the council failing to exploit its ability to obtain external funding;
- (5) notes the criteria for judgement under the Key Lines of Enquiry (KLOE) and endorses the actions proposed to meet those criteria;
- (6) agrees that a risk management workshop should be held on Tuesday, 15 November 2005, commencing at 6.00 p.m.

(Exempt information under paragraphs 1, 3, 5 and 7 of Part I of Schedule 12A of the Local Government Act, 1972)

The report of the Executive Director was submitted:-

(see annexed)

Rebecca Neill enlarged upon the report and drew attention to appendix 6 and the performance indicator in respect of recommendations confirmed as actually implemented at the next audit visit which had fallen from 73% in 2004/05 to 68% in 2005/06.

Councillor Turner referred to recommendation 3 of the report and suggested that Cabinet should be asked to support Audit Committee by requesting all managers to ensure that all recommendations put forward by Internal Audit were implemented.

Rebecca Neill advised that, on a number of occasions when internal Audit had revisited an area, it had become apparent that recommendations had not been implemented despite managers indicating that they would be. Members felt that managers who had not implemented recommendations in full should be invited to attend the Audit Committee to explain why.

Councillor Mrs. Shires expressed the view that, in referring the matter to Cabinet, the effectiveness of this Committee was being undermined.

Andy Burns suggested that a manager should be invited to attend a special meeting of the Audit Committee at which the reasons for non-implementation of recommendations could be explained.

After further discussion, it was:-

### **Resolved**

That the Committee:-

- (1) notes that, as at quarter 1 of 2005/06, Internal Audit has delivered on all of its performance targets; maintaining the high levels of overall performance achieved last year;
- (2) selects payrolls and debtors for detailed scrutiny;
- (3) requests that, in view of the performance on "recommendations implemented", the relevant managers be asked to attend a meeting of the Audit Committee to explain why agreed recommendations were not implemented.

(Exempt information by virtue of paragraphs 1, 5, 7 and 14 of Part 1 of Schedule 12A of the Local Government Act, 1972)

225/05     **Submission of Internal Audit Report for Scrutiny**

The report of the Executive Director was submitted;-

(see annexed)

Charles Barber enlarged upon the report for the benefit of the Committee. Members asked a number of questions, after which, it was:-

**Resolved**

That the report be noted.

(Exempt information under paragraphs 8, 9 and 10 of Part 1 of Schedule 12A of the Local Government Act, 1972)

**Termination of meeting**

There being no further business, the meeting terminated at 8.00 p.m.

Chairman: .....

Date: .....