

## **AUDIT COMMITTEE**

**Tuesday, 21 December 2004 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 Desmond Pitt  
Councillor Ian Robertson  
Councillor Mrs. Doreen Shires

#### **139/04 Minutes**

##### **Resolved**

That the minutes of the meeting held on 11 November 2004, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

#### **140/04 Declarations of Interest**

There were no declarations of interest.

#### **141/04 Deputations and Petitions**

No deputations were received or petitions submitted.

#### **142/04 Late items to be introduced by the Chairman**

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

143/04 **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.

**Non-Executive Functions**

144/04 **Audit Progress Report**

The report of the District Auditor was submitted.

(see annexed)

Andy Burns enlarged upon the report for the benefit of the Committee. He advised members that any new comments/findings were contained in bold type.

Councillor Robertson referred to the Putting the Citizen First Project and asked how much work would be entailed in monitoring it. Andy Burns replied that, Putting the Citizen First was an important element of the 2004/05 programme and Brian Warwick would report back regularly on the progress of implementation.

Councillor Turner suggested that the Resources Scrutiny Panel should be requested to review the arrangements for Putting the Citizen First.

Councillor Chambers suggested that Putting the Citizen First should be included as a standing item on future agendas.

Andy Burns undertook to speak to Brian Warwick to ascertain if he could report back to every meeting of the Committee on Putting the Citizen First.

**Resolved**

- (1) That the audit progress reports for 2002/04/05 noted;
- (2) That an item regarding Putting the Citizen First be included on all future Audit agendas.

**145/04    Remaining Draft Work Programme 2004/5**

A report was submitted:-

(see annexed)

Councillor Turner referred to the lengthy period between the last scheduled meeting of Committee for this municipal year on 17 March 2005, and the likely first meeting of the next municipal year in June 2005. He suggested that an additional meeting of the Committee should take place in late April/early May 2005.

**Resolved**

- (1) That the work programme be noted;
- (2) That a special meeting of the Audit Committee be arranged for late April/early May 2005 to avoid an over long gap between meetings of the Committee.

**146/04    Private Session**

**Exclusion of Public**

**Resolved**

That, during consideration of the following items on the agenda, the Committee considers that the items for consideration are exempt information by virtue of Part I of Schedule 12A of the Local Government Act, 1972 and accordingly resolves to consider those items in private session.

**147/04    Submission of Internal Audit Reports selected for Scrutiny**

The report of the Executive Director was submitted:-

(see annexed)

David Blacker reported that Internal Audit had investigated the operational arrangements within catering pse and had made 7 recommendations, 6 of which had been implemented. In respect of grounds fees and charges, 8 recommendations had been made with grounds management and 2 remained outstanding.

Councillor Chambers referred to the deficit in catering and asked how it would be funded. Andy Burns replied that Independent Consultants had established that the catering service was a good service that was under-funded rather than a poor service that was overspending. The Independent Consultants' findings were reported to Cabinet on 8th September 2004. He added that Cabinet would be considering a bid for funding for the catering service as part of the 'strategic choices' budget setting process for 2005/6.

Councillor Turner commented that it was not clear where losses were arising. However, new cost centres were being put in place which would make identification of loss producing areas, easier. He suggested that Resources Scrutiny Panel should be asked to look at the performance management arrangements for the catering service to ensure that on-going problems had been resolved.

Councillor Mrs. Shires asked why there had been no cost centres in the past. David Blacker replied that budgetary control was not as effective as it should have been, but changes were being made and systems would be more robust in the future. He reminded the meeting that examination of the catering deficit was not in Internal Audit's remit. Andy Burns confirmed that this Committee could look at the governance arrangements within catering and the Scrutiny Panel should consider performance management.

After further discussion it was:-

**Resolved**

- (1) That the report be noted;
- (2) That Resources Scrutiny Panel be requested to look at the performance management arrangements for the catering service;
- (3) That Internal Audit carry out a follow up visit to catering services to review:-
  - (a) progress on recommendations; and
  - (b) the budgetary provision.

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

148/04    **Internal Audit: Benchmarking**

The report of the Executive Director was submitted:-

(see annexed)

David Blacker enlarged upon the report and informed the meeting that Walsall had originally benchmarked with other West Midlands Authorities but, during the last three years had widened its scope by participating in the CIPFA national benchmarking club. As part of this exercise, the service compares itself with 18 unitary/metropolitan authorities classified as excellent or good in CPA terms.

Councillor Chambers asked if there were any health warnings regarding the quality of information given. David Blacker replied that the Committee should be careful when interpreting the figures. Whilst factually accurate and a reasonable indicator, they do not reflect the different processes undertaken within authorities.

After further discussion it was:-

**Resolved**

That the report be noted.

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

149/04    **Compliments of the Season**

Councillor Turner wished everyone a Merry Christmas and a Happy and Prosperous New Year.

**Termination of Meeting**

There being no further business, the meeting terminated at 7.05 p.m.

Chairman: .....

Date: .....