

## **AUDIT COMMITTEE**

**Monday, 3<sup>rd</sup> December, 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 Gary Clarke  
Councillor John Cook  
Councillor Ian Robertson

#### **443/07 Apology**

An apology for non-attendance was submitted on behalf of Councillor Haqnawaz Khan.

#### **444/07 Minutes**

##### **Resolved**

That the minutes of the meeting held on 15<sup>th</sup> October, 2007, a copy having previously being circulated to each member of the committee, be approved and signed by the Chairman as a correct record.

#### **445/07 Declarations of Interest**

Councillor Robertson declared an interest as a Director of New Deal.

#### **446/07 Deputations and Petitions**

No deputations were received or petitions submitted.

#### **447/07 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.

**448/07 Trent Payroll and Employment Services**

Paul Smith set out the background to the presentation. He reported that Human Resources had had a very busy 12 months including taking over the payroll from April 2007. Human Resources also provided payroll functions for Walsall Housing Group, Walsall Schools and the Walsall Regeneration Company.

Lisa Hemus made a PowerPoint presentation regarding Trent, Payroll and Employment Services, a copy of the slide show was handed to Members present at the meeting:-

(see annexed)

Following questions from Members it was:-

**Resolved**

That the presentation be noted.

**449/07 Strategic Risk Management**

Anne Johnson made a PowerPoint presentation.

A copy of the slides was handed to Members present at the meeting together with a copy of the Risk Management Strategy:-

(see annexed)

She explained what Risk Management is, what benefits arise from it and what the Council had done to embed it in the organisation.

Following questions from Members it was:-

**Resolved**

That the presentation be noted.

**Non-Executive Functions**

**450/07 Submission of Internal Audit Reports for Scrutiny**

The report of the Assistant Director of Finance was submitted:-

(see annexed)

**Resolved**

That the report be noted.

**451/07 Audit Progress Report – December 2007**

A copy of the Audit Commission Report was submitted:-

(see annexed)

Gill Edwards enlarged upon the report for the benefit of the Committee and it was:-

**Resolved**

That the report be noted.

**452/07 Final Accounts Audit**

A report of the Audit Commission was submitted:-

(see annexed)

Pik Ling Ho, Audit Commission, enlarged upon the report and stated that an unqualified opinion had been given. She explained the 10 recommendations that had arisen from the audit.

Councillor Turner referred to recommendation 6 on page 6 of the report relating to missing deeds for several Council owned properties. Stuart Portman, Legal Services, reported that the deeds for four of the five sites had been located. Officers were still trying to locate the deeds for the fifth property - New Invention Junior School. He continued that there were two parcels of land at New Invention Junior School, one was a short strip at the front of the school (A) and the other the school playing fields (B). He added that it was likely that both deeds had been placed in one deed packet which will be located shortly.

Stuart Portman stated that in the worse case scenario, if the deeds could not be found, then the local authority will reconstitute the title with the land registry. As the Council had occupied the land concerned for over 100 years there was no risk of losing the title to it. He added that the process of deed management was currently being overhauled.

After further discussion it was:-

**Resolved**

That the report be noted.

**453/07      Audit and Inspection Plan 2007/08**

A report was submitted:-

(see annexed)

Jon Roberts, District Auditor, enlarged upon the report. He indicated that his company, Grant Thornton UK LLP, had been appointed by the Audit Commission. This was carried out on a five yearly basis to ensure the scope of audit was refreshed. He added that the Audit Commission would assess the quality of the work undertaken.

Jon Roberts stated that a workshop for officers would be held in January at Grant Thornton's Birmingham office on financial statements.

Referring to the audit fee, Jon stated that it had been difficult to set for the first year but had been based on the planned fee for 2006/07 plus 2.75% which was inline with Audit Commission guidance. As the Council was improving it was hoped the scale of audit fees would fall quickly.

**Resolved**

That the report be noted.

**454/07      Private Session  
Exclusion of Public**

**Resolved**

That, during consideration of the remaining items on the agenda, the Committee considered 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 those items in private session.

**455/07      Risk Management Update 2007/08**

A report of the Executive Director was submitted:-

(see annexed)

Ann Johnson enlarged upon the report and indicated that four risks had reduced (numbers 11a, 16, 42 and 67) and two risks had increased (numbers 26 and 65). It was suggested that risk 55 – Failure to implement the single status agreement on time and within budget and risk 69 – Inability to deliver service plans and targets within cash limited budgets (within Social Care and Inclusion) should be selected for review at a future meeting.

Councillor Cook referred to risk 48 – Fibbersley Park School: failure to complete on time. Ann replied that this risk had now been managed and it would be removed from the risk register.

### **Resolved**

That the Committee:-

- (1) Notes the current Strategic Risk Register and the action taken in progressing the corporate risk management action plan;
- (2) Selects risk 55 – Failure to implement the single status agreement on time and within budget and risk 69 – Inability to deliver service plans and targets within cash limited budgets (within Social Care and Inclusion) for review at a future meeting;
- (3) Notes that a workshop will take place on 31<sup>st</sup> January, 2008 commencing at 6.00 p.m.;
- (4) Notes the work in progress to manage the comprehensive performance assessment key lines of enquiry for 2008;
- (5) Notes the work of the Corporate Risk Management Group.

(Exempt information under Paragraphs 1 and 8 of Part 1 of Schedule 12A of the Local Government Act, 1972) (as amended)

#### **456/07 Submission of Corporate Risks for Scrutiny**

A report of the Executive Director was submitted:-

(see annexed)

Ann Johnson reminded the Committee that risks 42, 54 and 57 had been selected for scrutiny.

Councillor Robertson asked when work on risk 54 would be completed. Ann replied that inspection field work would be carried out in January and February, 2008.

After further discussion it was:-

### **Resolved**

That the report be noted.

(Exempt information under Paragraphs 1 and 8 of Part 1 of Schedule 12A of the Local Government Act, 1972) (as amended)

#### **457/07 Internal Audit Benchmarking**

A report of the Assistant Director of Finance was submitted:-

(see annexed)

### **Resolved**

That the report be noted.

(Exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act, 1972) (as amended)

#### **458/07 Internal Audit Proposed Work Plan 2008/09**

A report of the Assistant Director of Finance was submitted:-

(see annexed)

David Blacker reported that each audit plan activity had been subject to a risk assessment resulting in high risk areas being dealt with as priority. He added that the plan would now be forwarded to Executive Directors for comment and would then be referred to the Strategic Leadership Team for endorsement. It would then be reported back to the March meeting of Audit Committee.

### **Resolved**

That the Committee:-

- (1) Approves the proposed Internal Audit Work Plan coverage for 2008/09;
- (2) Notes that the proposed plan will be discussed with Executive Directors and their management teams prior to subsequent approval by the Council's Section 151 Officer;
- (3) Notes that the final work plan will be presented to the Strategic Leadership Team (SLT) and the Audit Committee for formal endorsement.

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

**Termination of meeting**

There being no further business, the meeting terminated at 8.03 p.m.

Chairman: .....

Date: .....