

AUDIT COMMITTEE

Thursday, 19 January, 2006, 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

248/06 Apology

An apology for non-attendance was submitted on behalf of Brian Warwick – Audit Commission.

249/06 Fujitsu Transfer

Councillor Turner referred to the collapse of the Fujitsu transfer and suggested that the matter should be included as an item on the agenda for the next meeting of the Committee. He requested that Brian Warwick prepare a report on the matter for consideration by the Committee.

250/06 Minutes

Referring to minute no. 237/05, Councillor Turner advised that a training workshop would be held in mid-March 2006 to consider what questions could or could not be asked of Officers attending the Committee to explain why recommendations made by Internal Audit had not been implemented. He added that role play would also be involved and that Officers from Legal and Human Resources would be present to give Members advice and guidance on correct procedures to be followed.

Resolved

- (1) That the minutes of the meeting held on 5 December 2005, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record;

- (2) That a training workshop be held on a date to be arranged in March 2006 to consider what actions can be taken against Officers failing to implement recommendations made by Internal Audit and that Officers from Legal and Human Resources be present to give Members advice and guidance on correct procedures.

251/06 **Declarations of Interest**

There were no declarations of interest.

252/06 **Deputations and Petitions**

No deputations were received or petitions submitted.

253/06 **Late items to be introduced by the Chairman**

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

254/06 **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

255/06 **Revised Corporate Risk Strategy**

The report of the Executive Director was submitted:-

(see annexed)

David Blacker reported that the revised Corporate Risk Strategy replaced the Council's Risk Management Policy which had been approved by Policy and Resources Committee in February 2002. He suggested that the matter be referred to Cabinet on 1 March, 2006.

Councillor Chambers referred to this Committee's role in the process and David Blacker explained.

Councillor Robertson asked if Members could identify risks to be considered. David Blacker explained that Officers would welcome this.

Andy Burns explained that the Management Team looked from the top down and Managers looked from the bottom of the organisation up to ensure that all risks were captured. He invited Members to share any risks that they identified.

Councillor Turner stated that it was hoped to look at all Directorates individually over the coming year to identify risks throughout the Council.

Andy Burns advised that a quarterly review of risk would be reported to Committee. He added that bird flu and its effects could be a potential risk to be considered by the Committee.

Councillor Chambers referred to Appendix B of the report and to the political risk. He asked if a report could be submitted to the next meeting on the risk involved in what was not part of the Manifesto commitment.

After further discussion it was:-

Resolved

- (1) That the contents of the report be noted;
- (2) That the draft Risk Management Strategy be endorsed and referred to Cabinet for consideration;
- (3) That a report be submitted to the next meeting of the Committee on the risks involved in non-Manifesto commitments.

256/06 Internal Audit: Performance for the nine months ending 31 December 2005

The report of the Executive Director was submitted:-

(see annexed)

David Blacker reported that Internal Audit was achieving its targets in all but one area – recommendations confirmed as actually implemented at next audit visit – which was currently running at 71% against a target of 95%. However, a new system had been put in place in April 2003 so this should show improvement shortly.

Councillor Robertson asked if anything else could be done to ensure Managers implemented recommendations proposed by Internal Audit.

Councillor Turner indicated that he had requested a break-down by Directorate so that the appropriate Director/Cabinet Member could be asked for an explanation if recommendations were not implemented.

David Blacker advised that this would be reported to the next meeting of the Committee.

Councillor Martin referred to the fact that Managers paid towards the cost of audits so, if the cost of the second visit was paid for entirely from their budgets, then there would be a financial penalty.

David Blacker reminded the meeting that disciplinary action could be taken against Managers who failed to implement recommendations after agreeing to do so.

Andy Burns commented that, if this information was provided in the form of a league table then it might well galvanise Managers into prompt action.

Councillor Turner suggested that a dedicated Officer or mentor could be requested to assist in highlighting areas where there were failures or problems.

Councillor Chambers asked if Officers could pick up on best practice from other Local Authorities. David Blacker replied that it seemed to be a common problem with a number of Local Authorities. Having the Chairman of this Committee write to portfolio holders could help to highlight the problems being experienced.

Councillor Robertson referred to the fact that there had been a problem with middle management skills within the Council which had been improved over time.

Councillor Chambers asked why it was a common problem across Local Authorities. David Blacker replied that there were a combination of factors, but there had been a large number of initiatives recently which had led to problems and additional pressures on Managers.

After further discussion it was:-

Resolved

- (1) That the Committee notes that as at 31 December 2005, Internal Audit has delivered on all of its performance targets maintaining a high level of overall performance for the year;
- (2) That information in the form of a league table of Directorates be reported to the next meeting of the Committee.

257/06 **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 paragraph(s) of Part I of Schedule 12A of the Local Government Act, 1972, and accordingly resolves to consider those items in private session.

258/06 **Audit Committee Risk Register**

The Committee considered a report of the Executive Director regarding this matter, noted the contents of the report and its appendices; endorsed the risk management action plans and endorsed the risk register attached to the report and agreed that it should become the Audit Committee Risk Register which would be reviewed on at least a quarterly basis.

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

259/06 **Internal Audit: Activity for the nine months ending 31 December 2005**

The Committee considered a report of the Executive Director regarding this matter and noted that, as at quarter 3 of 2005/06, Internal Audit had delivered on all of its performance targets, maintaining a high level of overall performance for the year to date and selected audit reports for detailed scrutiny at its next meeting.

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

Termination of Meeting

There being no further business, the meeting terminated at 6.50 p.m.

Chairman:

Date:

