

## **AUDIT COMMITTEE**

**Monday, 13<sup>th</sup> October, 2008 at 6.00 p.m.**

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

### **Present**

Councillor Turner (Chairman)  
Councillor Clarke (Vice-Chairman)  
Councillor Chambers  
Councillor Martin  
Councillor Robertson  
Councillor D. Shires  
Ms. K. McLeod (Independent Member)

#### **531/08 Apology**

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

#### **532/08 Corporate Risk Numbers 84 and 86**

Councillor Turner referred to the briefing note on Corporate Risk Numbers 84 and 86 forwarded to Councillors from Ann Johnson. He asked if Members wished to raise any questions regarding the information supplied. Members raised no questions at the meeting. He added that a report regarding risk number 15 would be submitted to the next meeting of the Committee. Risk number 56 was being presented on tonight's agenda by the Head of Human Resources and Development.

#### **533/08 Credit Crunch**

Councillor Turner referred to the recent problems with Icelandic banks and asked whether the Local Authority had invested any money there. Vicky Buckley replied that Walsall had investments in UK and Irish banks only. She added that an officer panel reviewed the Council's holdings on a regular basis to ensure investments were safe.

Vicky Buckley suggested that a briefing on the financial statement should be given at the next meeting of the Committee. Councillor Turner suggested that information on how the Council received funding from the Government should be included on the Council's website so that the people of Walsall were made aware of the situation.

**Resolved**

That a briefing on the financial situation be made at the December meeting of the Committee and information regarding Government funding be included on the Council's website.

534/08 **Minutes**

**Resolved**

That the minutes of the meetings held on 1<sup>st</sup> and 18<sup>th</sup> September, (Special), 2008, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as correct records, subject to the inclusion of Kate McLeod as being present on 18<sup>th</sup> September, 2008.

535/08 **Declarations of Interest**

There were no declarations of interest.

536/08 **Deputations and Petitions**

No deputations were received or petitions submitted.

537/08 **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.

**Single status and equal pay**

Paul Smith, Head of Human Resources and Development, made a PowerPoint presentation with the aid of slides regarding single status and equal pay, risk number 56. A copy of the slides was handed to Members present at the meeting:-

(see annexed)

He drew attention to the risks involved which included failure to achieve job evaluation at projected performance levels; failure to reach agreement with Trade Unions and the negative impact upon employee relations and staff morale due to perceived pay cuts. He referred to the history of single status from the original agreement reached in 1997 and explained what equal pay meant. He added that all manual jobs had been evaluated in 1987 and this had led to the rise in “no win, no fee” claims.

Drawing attention to the current position, Paul Smith indicated that 60% of Councils had not completed their pay and grading review. Only Coventry and Solihull had completed it in the West Midlands.

Councillor Robertson referred to “golden hellos” and asked how equal pay would deal with them. Paul Smith confirmed that they posed a difficult problem.

Councillor Chambers thanked Paul Smith for his comprehensive presentation and asked how equal pay would be reflected in the budget. Vicky replied that equal pay would be dealt with by a capitalisation submission likely to be next year. There was a potential that there would be an increased pay bill which would have to be paid for by increased Council Tax or efficiency savings.

Councillor Clarke referred to the £0.5 million which he believed had planned to be reserved for equal pay since 2001. Vicky Buckley replied that this had been the plan and much of this money had been used on equal pay claims which had been settled.

Councillor Robertson asked if there was a time limit for dealing with equal pay claims. Paul Smith replied that an aspirational timescale had been put forward. If job evaluation was not achieved, then equal pay claims would remain.

Councillor Martin referred to the fact that Solihull had completed the exercise. She wondered if there was anything Walsall could learn from their experience. Paul Smith replied that Solihull had completed their pay claim some time ago. They had not used any market supplements and were suffering for it now. He added that Coventry had completed in 2005.

A complicated back pay agreement had created confusion and, as a result, there were some 5,000 appeals outstanding.

Councillor Martin asked how many evaluations were outstanding in Walsall. Paul Smith replied that about 450 remained.

### **Resolved**

That the presentation be noted.

## 539/08 **Audit Commission Reports**

### **Annual Audit and Inspection letter: progress report**

A report was submitted:-

(see annexed)

Vicky Buckley enlarged upon the report and indicated that sound progress was being made on most of the recommendations contained in Appendix 1 to the report.

Councillor Chambers commented that a red, amber, green classification would be useful. With reference to increasing bus use in the West Midlands, Councillor Chambers suggested that Centro be invited to a future meeting to suggest how this might be achieved.

Vicky Buckley stated that she would investigate what Scrutiny was doing on bus use.

Councillor Robertson referred to the grant claims by Sure Start. Vicky replied that they were being audited at present and a grants report would be submitted to Committee in December.

Vicky Buckley referred to the updated work plan which had been handed to Members present at the meeting:-

(see annexed)

and drew attention to the other planned external audit reports and inspections which had been included.

### **Resolved**

That the Committee:-

(1) notes the progress made in respect of the annual audit and inspection letter as contained in Appendix 1 to the report now submitted;

(2) notes the revised work programme and timetable for the remainder of 2008/09.

540/08 **Risk Assessment Report**

Vicky Buckley handed copies of the Risk Assessment Report prepared by Pam Duke of Bannisdale Consulting Ltd., to members present at the meeting:-

(see annexed)

She asked Members to take the report away and study it and it would be considered at the December meeting of the Committee.

541/08 **Internal Audit Activity for the Six Months ending 30<sup>th</sup> September, 2008**

A report was submitted:-

(see annexed)

David Blacker drew attention to the performance to date of Internal Audit and indicated that all targets were being achieved.

Councillor Robertson referred to the vacancies within Internal Audit as indicated in Appendix 3 to the report. David Blacker replied that a Principal Auditor had resigned with effect from 10<sup>th</sup> September, 2008 and there were currently two audit posts vacant. He added that it was hoped to fill the vacancies shortly.

**Resolved**

- (1) That the Committee notes that as at quarter 2 of 2008/09 Internal Audit has delivered on all of its performance targets, maintaining a high level of overall performance for the year;
- (2) That the Committee agrees to select the following completed audit reports for scrutiny:-
  - Allens Centre Learning Disabilities Team
  - Broadway North Learning Disabilities Team

542/08 **Audit Committee Self-assessment**

A report was submitted:-

(see annexed)

Vicky Buckley enlarged upon the report and drew attention to the Committee's strengths, as contained in Appendix 1 to the report as reported in the 2007/08 Annual Governance statement.

Referring to the self-assessment checklist contained in Appendix 2 to the report, Vicky Buckley took the Committee through the checklist. She added that the results of the exercise would be analysed and reported back to a future meeting of the Committee.

**Resolved**

That the Committee:-

- (1) Notes the findings from the 2007/08 review of the effectiveness of the system of internal audit and control in relation to the Audit Committee contained in Appendix 1 to the report now submitted;
- (2) Completed the self-assessment checklist attached at Appendix 2 to the report.

543/08 **Private Session**

**Exclusion of Public**

**Resolved**

That, during consideration of the remaining item on the agenda, the Committee considers that the item for consideration is 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 that item in private session.

**Summary of item considered in private session**

544/08 **Internal Audit activity for the six months ending 30<sup>th</sup> September, 2008**

The Committee noted the report and the Appendix.

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

**Termination of meeting**

There being no further business, the meeting terminated at 7.50 p.m.

Chairman: .....

Date: .....