

AUDIT COMMITTEE

Tuesday 25 October 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 Desmond Pitt
Councillor Ian Robertson

219/05 Apology

An apology for non-attendance was received on behalf of Councillor Mrs. Shires.

220/05 Minutes

Resolved

That the minutes of the meeting held on 5 September 2005, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

221/05 Declarations of Interest

There were no declarations of interest

222/05 Deputations and Petitions

There were no deputations received or petitions submitted.

223/05 Late items to be introduced by the Chairman

There were no late items.

224/05 **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.

Non-Executive Functions

225/05 **Internal Audit: Performance for the six months ending 30 September 2005**

The report of the Executive Director was submitted:

(see annexed)

Resolved

That the Committee notes that, as at 30 September 2005, internal audit has delivered on all of its performance targets, maintaining a high level of overall performance for the year.

226/05 **Youth Service Funding to Partner Organisations 2005/06**

The report of the Executive Director was submitted:

(see annexed)

Tim Challans (Assistant Director – Lifelong Learning and Community) referred to the funding arrangements for the youth service for 2005/06 and indicated that it was very different to previous years. He advised that the money allocated to the youth service had to be spent within the service and as evenly as possible across the Borough. Referring to Appendix 1 to the report, Mr. Challans indicated that it covered all 13-19 year olds across the Borough coupled to the deprivation index based on the Local Neighbourhood Partnership areas.

Unit costs for running small, medium and large centres had been calculated and were shown in Appendix 2 to the report. These costings had then been discussed and agreed with the Council's partners.

Following a number of questions from Members, which Tim Challans and Dawn Myatt responded to, it was:

Resolved

That the Committee notes the Youth Service's progress in developing funding and monitoring mechanisms.

227/05 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 1 of Schedule 12A of the Local Government Act, 1972, and accordingly resolves to consider those items in private.

228/05 Internal Audit: Activity for the six months ending 30 September 2005

The report of the Executive Director was submitted:

(see annexed)

Resolved

That the Committee:

- (1) notes that, as at quarter 2 of 2005/06, Internal Audit has delivered on all of its performance targets, maintaining a high level of overall performance for the year to date;
- (2) selects:
 - (1) Grounds – Contractors; and
 - (2) Revenue Contracts – Education Servicesfor detailed scrutiny.

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

229/05 Submission of Internal Audit Reports for Scrutiny

Payroll and Personnel

Carole Evans reported that this matter would be considered at the 5 December meeting of the Committee as key Officers were unavailable because it was half-term week.

Councillor Turner advised that, because of the detail and length of the report, it had been decided to forward it to Members early so that they could study it in detail before the next meeting.

It was **agreed** that this matter would be held in abeyance until the next meeting of the Committee at which Paul Smith was required to attend.

(Exempt information under paragraph 1 of Part I of Schedule 12A of the Local Government Act, 1972)

Debtors

The report of the Executive Director was submitted:-

(see annexed)

Referring to paragraph 1.1 of the report, David Blacker reported that in 2004/05 Internal Audit had modified their approach to the examination and reporting of certain key systems work from a service basis to a directorate reporting approach.

Referring to paragraph 1.2 of the report, he drew attention to the areas where urgent action was required.

Councillor Martin asked why a “debtors black list” had not been drawn up. Vicky Crowshaw replied that, at present, the system did not have the capacity to draw up such a black list. It would, however, be carried out once oracle had been fully implemented.

Councillor Robertson expressed concern that 131 days to raise an invoice was excessive. Vicky Crowshaw replied that such a long lead time was the exception and the majority were raised much sooner. In response to further questions, Vicky Crowshaw stated that the Council shared best practice on processes and comparative data on debt recovery with other Local Authorities.

Councillor Chambers referred to recommendations not being implemented and asked if there were any major ones to be highlighted. David Blacker replied that, when Internal Audit checked on recommendations being carried out, it was usually minor ones that had not been completed.

Councillor Griffiths referred to the fact that 8 recommendations had not been implemented in the Lifelong Learning and Community Directorate. He asked what pressures could be brought to bear to require compliance. David Blacker replied that, if recommendations had not been implemented, then, in the first instance, a revised date for implementation would be drawn up. If this revised deadline was missed, then the Manager concerned could be called before the Committee to explain his/her lack of action.

After further discussion it was:

Resolved

That the report be noted.

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

230/05 Submission of Corporate Risks for Scrutiny

The report of the Executive Director was submitted:

(see annexed)

Ann Johnson reminded Members that they had received the corporate risk register at their last meeting and 2 risks had been identified for scrutiny. Corporate risk no. 18 – failure to deliver on major capital projects – had increased from a medium risk to a high risk. Corporate risk no. 26 – sub-optimisation of external funding resources – was a medium to low risk. The risk register was reviewed on a quarterly basis, but continuous monitoring was also carried out.

Following questions from Members, it was:-

Resolved

That the report be noted.

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

231/05 Risk Management Workshop – 15 November 2005

Ann Johnson reminded Members that the risk management workshop would take place on Tuesday, 15 November 2005. She indicated that she had requested Members to identify risks that could prevent the Committee from achieving its objectives in advance of the meeting but, at present, no information had been returned.

Members asked if the information could be supplied to them again so that a list of risks could be drawn up.

Ann undertook to re-circulate the information to Members and asked for a response by 3 November 2005.

Termination of Meeting

There being no further business, the meeting terminated at 7.15 p.m.

Chairman:

Date: