

## **AUDIT COMMITTEE**

**Tuesday, 28<sup>th</sup> September, 2010 at 6.00 p.m.**

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

### **Present**

Councillor Turner (Chairman)  
Councillor Rochelle (Vice-Chairman)  
Councillor Chambers  
Councillor Douglas-Maul  
Councillor Flower

744/10

### **Apologies**

Apologies for non-attendance were submitted on behalf of Councillors Robertson and Mrs. D. Shires.

745/10

### **Minutes**

#### **Resolved**

That the minutes of the meeting held on 1<sup>st</sup> September, 2010, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

746/10

### **Declarations of Interest**

There were no declarations of interest.

747/10

### **Deputations and Petitions**

There were no deputations submitted or petitions received.

748/10

### **Local Government (Access to Information) Act, 1985 (as amended)**

There were no matters to be considered in the private part of the agenda.

**Statement of account 2009/10: Post-Audit and Annual Report to those charged with Governance 2009/10**

The reports of the Executive Director, Resources and Grant Thornton were submitted:-

(see annexed)

An amended page 65 and page 79 to the Statement of Account report was handed to Members present at the meeting:-

(see annexed)

James Walsh enlarged upon the reports and drew attention to the amendments to pages 65 and 79 of the Statement of Accounts. He drew attention to Appendix 3 to the report (the letter of representation) and stated that the original had been signed by the Chief Finance Officer and Chief Executive. He referred to two changes which needed to be brought to the attention of Audit Committee prior to approval of the post-audit accounts:-

- Valuation of shares in Birmingham Airport
- The equal pay provision

Councillor Chambers referred to the net general reserves of £8.267 million. James Walsh replied that this was the final level of reserves at 31<sup>st</sup> March, 2010. Jon Roberts (Grant Thornton) presented the report to those charged with Governance 2009/10 and stated that it was proposed to issue an unqualified value for money conclusion and an unqualified opinion on the accounts. He thanked officers for the assistance given to himself and his officers whilst working on the accounts. He went through the key audit risks identified and stated these had all been dealt with during the audit. He referred to equal pay.

With reference to equal pay, Kyla Bellinghall (Grant Thornton) referred to the provision and reported that the matter had been discussed at length with the Council's officers and Eversheds (the Council's legal advisers) concerning the calculation of the provision and the wording of the disclosures. Due to the large sums involved and potential uncertainties around this, the opinion would refer to this.

After further discussion it was,

## **Resolved**

That the Committee:-

- (1) Receives the annual governance report from Grant Thornton on their audit of the 2009/10 statement of accounts and approves the key messages (Appendix 1 refers);
- (2) Notes that there have been agreed amendments made to the accounts during the audit;
- (3) Notes and endorses the final post audit statement of accounts for 2009/10 (Appendix 2 refers);
- (4) Notes the letter of representation attached as Appendix 3 to the report now submitted;
- (5) Authorises the Chief Finance Officer to distribute copies of the audited statement of accounts to partners and stakeholders.

750/10

## **Submission of risks for scrutiny**

The report of the Executive Director - Resources was submitted:-

(see annexed)

Ann Johnson enlarged upon the report and drew attention to the fact that the Committee wanted assurance that measures were in place to deal with Risk 3 - Insufficient knowledge across the Committee Members for them to be assured that Local Area Agreement risks are being effectively managed; and Risk 12 - the Committee feels there is insufficient review of engagement approaches across the Council.

Clive Wright (Chief Executive of Walsall Partnership) referred to Risk 3 and reported that plans were in place to manage the risk. He drew attention to targets on health inequality and worklessness which still challenged the Authority. He referred to the fact that the comprehensive area assessment had been abolished by the coalition Government and that the Local Area Agreement was in doubt. This meant that five of the twenty perception indicators had been removed. Key indicators were still in place and were being challenged. He drew attention to the Area Partnerships which had recently been set up to deal with the needs and aspirations of their areas and indicated that they linked in well with the "Big Society" idea.

Councillor Chambers asked if the Action Plan would be revised to take account of changes as they occurred. Clive Wright confirmed that it would.

Councillor Rochelle asked if the Local Authority would still receive additional funding for hitting its targets. Clive Wright felt that this was unlikely in the present economic climate.

With regard to Risk 12, Clive Wright reported that Local Neighbourhood Partnerships had been perceived as not being successful and had been replaced by Area Partnerships which promised more engagement with residents and partners. They were very much a work in progress at present but it was hoped that they would be embedded by December, 2010. As a result of consultation undertaken, each Partnership area had identified work streams in which local residents were involved. He drew attention to the projects piloted in Darlaston which would be rolled out to the rest of the Borough.

Councillor Flower referred to the proposed changes to the Primary Care Trusts. Clive Wright replied that GPs would become fundholders and the Walsall Partnership was monitoring the situation.

Councillor Flower asked if the Citizens Panels would continue. Clive Wright referred to the need to share information. He added that consultation and engagement would be achieved through the Area Partnerships.

Councillor Chambers referred to the fact that fewer people were attending the Area Partnerships than had attended the Local Neighbourhood Partnerships. Clive Wright referred to the need to get communities involved in the work streams.

After further discussion it was,

**Resolved**

That the presentation and report be noted.

751/10      **Annual report to those charged with governance 2009/10**

This matter had been considered earlier in the meeting.

752/10      **Review of Audit Committee effectiveness at Walsall Metropolitan Borough Council**

The report of the Executive Director (Resources) was submitted:-

(see annexed)

Vivienne Holland (Grant Thornton) enlarged upon the report and indicated that all Members of the Audit Committee had completed a questionnaire, the results of which had been evaluated and compared against best

practice. A workshop had been held with Committee Members to discuss the findings of the questionnaire.

Referring to Appendix A of the report, Vivienne Holland requested the Committee to consider the recommendations and decide how to move forward.

Councillor Turner referred to the need to draw up a draft Action Plan. He asked whether officers should produce the draft Plan or whether a workshop should be held so that Members and officers could work on the draft Plan together.

Councillor Flower referred to the fact that he was a new Member of the Committee and would like to receive appropriate training.

Councillor Turner reminded the meeting that in previous years, training had been undertaken at the commencement of meetings of the Committee. He felt that this procedure should be re-instated. Members felt that short sessions at the commencement of meetings was better than a purpose-built training session lasting several hours.

Councillor Chambers referred to the vacancy for an Independent Member and reported that he had put forward the name of a suitable applicant but nothing appeared to have happened. James Walsh referred to the importance of an Independent Member to the deliberations of the Committee and agreed that the vacancy should be filled as soon as possible.

Councillor Flower referred to the importance of core skills training to new Members of the Committee like himself.

After further discussion it was,

**Resolved**

- (1) That the report be noted;
- (2) That the position of Independent Member be filled as a matter of urgency;
- (3) That officers prepare a draft Action Plan for discussion at a future meeting of the Committee.

753/10

**Corporate financial performance 2010/11**

The joint report of the Chief Finance Officer and Executive Director (Resources) was submitted:-

(see annexed)

Vicky Buckley enlarged upon the report and stated that the forecast revenue overspend was at £1.3 million. The Capital Programme was forecast to be underspent by £8.8 million due to slippage and rephasing.

Councillor Turner asked if Scrutiny Panels received the monitoring reports and Vicky Buckley confirmed that quarterly reports were presented to Scrutiny. Corporate Scrutiny received the overall Council-wide position as well as their own.

### **Resolved**

That the Committee notes the current predicted year end forecasts and action being taken to address it.

754/10

### **Regulation of Investigatory Powers Act (RIPA)**

The report of the Executive Director (Resources) was submitted:-

(see annexed)

Rebecca Neill (Internal Audit) enlarged upon the report and indicated that the Act governed any surveillance activity carried out by the Council. She referred to the new Codes of Practice which had come into effect on 6<sup>th</sup> April, 2010 which now require a senior responsible officer and an increased role for Councillors. She then referred to the Appendix to the report which showed the use of RIPA powers between 1<sup>st</sup> April, 2007 and 31<sup>st</sup> August, 2010. She advised the Committee that the number of RIPA authorisations had generally fallen year on year. In the case of housing and council tax benefits, this was due to the Council's closer working with the Department of Works and Pensions and for anti-social behaviour cases, this was due to the Council now only authorising RIPA's where it is the lead enforcement agency.

With reference to Trading Standards, Rebecca Neill stated that the number of RIPA authorisations had generally fallen due to more targeted action, together with the impact of the closure of Brownhills market. In the case of miscellaneous RIPA approvals, the need to undertake these authorisations had generally fallen.

Councillor Douglas-Maul commented that the Council needed to be careful how RIPA was used if adverse publicity was to be avoided. Rebecca Neill replied that a detailed procedure was in place and approving officers were extremely careful to ensure that the procedure was followed prior to their authorising surveillance activity.

Councillor Flower asked if an action plan had been put in place following the Office of the Surveillance Commissioner's visit. Rebecca Neill replied that an action plan was in place and would be submitted to the Committee for consideration at the next reporting of RIPA activity. Rebecca Neill commented that the Office of the Surveillance Commissioner's inspection, which was undertaken in March, 2010, had concluded that the Council was operating an efficient system for using covert surveillance.

### **Resolved**

- (1) That the report be noted;
- (2) That the RIPA action plan be submitted for consideration with the next quarterly report to Committee of RIPA activity.

### **Termination of meeting**

There being no further business, the meeting terminated at 7.35 p.m.

Chair: .....

Date: .....