

AUDIT COMMITTEE

Tuesday 18th February, 2020, at 6.00 p.m.

Conference Room, Council House, Walsall

Present

Mr A Green (Independent Member and Chair)
Councillor Rasab (Vice-Chair)
Councillor Ali
Councillor Johal
Councillor Robertson

In attendance

Internal Audit Manager
Corporate Finance Manager
Head of Information Communications and Technology

Representative of Mazars
Representatives of Grant Thornton (GT)

01/20

Welcome / Apologies

The Chair welcomed all in attendance and asked everyone present to introduce themselves.

No apologies were submitted.

02/20

Minutes

A copy of the minutes of the meeting held on 18th November, 2019, were submitted:-

(see annexed)

Resolved

That the minutes of the meeting held on 18th November, 2019, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

03/20

Declarations of Interest

None submitted.

04/20 **Deputations and Petitions**

There were no deputations submitted or petitions received.

05/20 **Local Government (Access to Information) Act, 1985 (as amended)**

That, where applicable, the public be excluded from the meeting during consideration of any items, as set out in the private part of the agenda, for the reasons set out therein and Section 100A of the Local Government Act, 1972.

06/20 **Notification of any issues of importance for consideration at a future meeting**

There were no issues raised under this item.

07/20 **Change in the order of Business**

Pursuant to Section 14 (C) of the Council's Rules of Procedure, within Section 4 of the Constitution, the Committee **resolved** that Agenda Item No. 13 (Summary of Priority 1 Recommendations) be brought forward in order to deal with that item before the remaining agenda items.

08/20 **Private Session**

Exclusion of Public

Resolved

That, during consideration of the next item on the agenda, the Committee considers that the item for consideration is exempt information for the reasons set out therein and Section 100A of the Local Government Act, 1972, and accordingly resolves to consider that item in private.

09/20 **One Source Programme Update**

A report was submitted:-

(see annexed)

The Head of Information Communications and Technology presented the report and highlighted the salient points contained therein.

Officers responded to a series of questions by Members who were seeking assurance that the programme as being managed effectively and that sufficient controls were in place.

Resolved that the report be noted.

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

10/20

Follow Up of Priority 1 Recommendations

A report was submitted:-

(see annexed)

The Internal Audit Manager presented the report and highlighted the salient points contained therein.

Resolved that the report be noted.

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

Returned to public session.

11/20

Committee Decision Tracking Chart

A report was submitted:-

(see annexed)

The Clerk presented the report and highlighted the salient points contained therein.

The report outlined the purpose of the tracking chart which was to enable Members to monitor the various decisions taken by the Committee and provide a method of 'call-back' where required.

Resolved that the report be noted.

12/20

Internal Audit Progress Report 2019/20

A report was submitted:-

(see annexed)

The Internal Audit Manager presented the report and highlighted the salient points contained therein.

The report provided the Committee with an update on Internal Audit's progress on the 2019/20 Audit Plan.

During discussions on this item, the Chair requested the Internal Audit Manager to look at all reviews which dated back to 2018 could be looked at and reported on at the next Committee meeting as an update.

Resolved that the report be noted.

13/20

Risk Management Update

A report was submitted:-

(see annexed)

The Chair commented that it was not helpful for the Committee Members to have received the report so late and requested that measures be taken to ensure this did not happen again.

The Internal Audit Manager presented the report and highlighted the salient points contained therein.

The report provided the Committee, whose delegated role it was to provide independent assurance on the adequacy of the risk management framework and the associated control environment, with: -

- an update on activity since September, 2019, which included the end of quarter two review of the directorate held risk registers;
- the actions taken to continue to embed the Risk Strategy approved January, 2019; and
- the plans to review the risk management framework and propose changes.

Arising from discussion on this item, the Chair expressed his concern that Risk Management was not a standing item on the CMT agenda, and that the item had been 'bumped-off' the previous CMT agenda. He requested the Head of Finance to feed this back to CMT for their consideration.

In addition, the Chair requested that the Committee receive a report at the next meeting on the Proud Programme's risk register, in order that the Committee could gain assurance that it was being managed efficiently and effectively.

Resolved that the report be noted.

14/20

External Audit – Informing the Audit Risk Assessment

A report was submitted:-

(see annexed)

The representative of Grant Thornton presented the report and highlighted the salient points contained therein.

The report highlighted that audit arrangements required Grant Thornton (the Council's external auditors) to formally update their understanding of management's processes and arrangements annually. As part of their work, Grant Thornton were required to obtain an understanding of these including:-

- General enquiries of management
- Fraud risk assessment
- Impact of laws and regulations
- Going concern considerations
- Related parties
- Accounting estimates

Grant Thornton had also formally requested responses from the Council to a number of questions covering the areas set out above, which were attached as Appendix 1 to the report.

Resolved that the management responses, as set out in Appendix 1 to the report, be approved.

15/20

External Audit – Audit Planning Report for the Year Ending 31st March, 2020

A report was submitted:-

(see annexed)

The representative of Grant Thornton presented the report and highlighted the salient points contained therein.

The report provided the Committee with the details of the Council's External Auditor's, Grant Thornton, audit plan for the financial year ending 31st March, 2020. It detailed the planned audit strategy driven by an assessment of the key issues and significant risks which could affect the accounts, as set out within Appendix 1 to the report.

In addition, the plan covered the work to be undertaken to provide the Council with an opinion on the financial statements together with the value for money conclusion.

Arising from discussion on this item, The Chair raised his concerns about the additional demands being placed on the Auditor. He requested that the Committee be notified at the earliest opportunity, should the programme begin to slip, initially via a briefing note but also that a special meeting be arranged, if required, to consider the matter further.

Resolved that the report be noted.

Termination of Meeting

The meeting terminated at 6.58 p.m.

Chair:

Date: