

AUDIT COMMITTEE

Monday, 11th November, 2013 at 6.00 p.m.

Conference Room, Council House, Walsall

Present

Councillor Hughes (Chairman)
Councillor Illmann-Walker (Vice-Chairman)
Councillor Murray
Councillor D. Shires

In attendance

Chief Executive
Chief Finance Officer
Head of Internal Audit
Interim Director of Children's Services
Area Manager, Environmental Health
Senior Finance Manager
Head of Finance
Independent Chair of Children's Improvement Board
Representatives from Grant Thornton

1111/13 Apologies

Apologies for non-attendance were submitted on behalf of Councillors Chambers, J. Fitzpatrick, Flower and Mr. A. Green (Independent Member).

1112/13 Minutes

The minutes of the meeting held on 25th September, 2013, were submitted:-

(see annexed)

The Chair referred to Minute No. 1105/13 (Notification of any issues of importance for consideration at a future meeting) and asked if the Head of Internal Audit had chased up the response on behalf of the Committee. The Head of Internal Audit confirmed that the response had been sent to Members on 4th October, 2013.

The Chair then referred to Minute No. 1108/13 (Annual Review of the Effectiveness of the Systems of Internal Control and Internal Audit and the Annual Governance Statement) and asked if the Briefing Note on “Systems Thinking” had been sent to Members. The Head of Internal Audit confirmed that the Briefing Note had been e-mailed to Councillor Chambers on 4th October, 2013.

Resolved

That the minutes of the meeting held on 25th September, 2013, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

1113/13 **Declarations of Interest**

There were no declarations of interest.

1114/13 **Deputations and Petitions**

There were no deputations submitted or petitions received.

1115/13 **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.

1116/13 **Notification of any issues of importance for consideration at a future Meeting**

The Head of Internal Audit reported that advertisements for the two vacant Independent Member posts had been placed in a local newspaper and as a result, seven candidates were to be interviewed. She asked if the Committee were content for the previous interview Panel, which consisted of Councillors Illmann-Walker, Murray and D. Shires, to carry out the interview process. The Committee agreed that Councillors Illmann-Walker, Murray and D. Shires should form the Interviewing Panel.

Furthermore, it was agreed that the recommendation of the Interviewing Panel could be sent directly to Council for final decision without the need to report back to this Committee.

Ofsted and the Department for Education (DfE) Improvement Notice

The report of the Interim Director of Children's Services was submitted:-

(see annexed)

The Independent Chair of the Improvement Board introduced himself to the Committee and indicated that he had been Director of Children's Services at two London Boroughs and was currently the Interim Director at Redbridge London Borough Council. As a result of Ofsted's findings in 2012 that Walsall's Children's Services were inadequate, an Improvement Board had been set up with partners to improve the situation. A Strategic Improvement Plan had been drawn up and was in place by November, 2012. The Interim Team had been put in place and improvements were made. Ofsted had re-visited and the service was now adequate but was still in intervention. The Strategic Improvement Plan had been updated.

He continued and advised that the self awareness of staff had changed but the Council could not afford to relax as it would risk being inadequate again. A positive trend of improvement was being maintained but the Council still had some way to go to be a good Authority for looked after children.

The Chair asked if the direction of travel was good and referred to the problem of resources with increased numbers of children coming into care. The Independent Chair replied that the rate of improvement was impressive but as Children's Services had started from a low base, there was still cause for concern. He referred to the need for more Social Workers and expressed his concern at the high level of agency staff employed by the Authority. He stressed the need to make Walsall a place that Social Workers wanted to come to. He then drew attention to the use of Interim Directors and the lack of sustainability as a result.

The Interim Director of Children's Services reported that two Assistant Directors would be appointed shortly and a further Assistant Director would be appointed in the new year. She added that a plan was being put in place to obtain her successor.

Following further questions from Members it was,

Resolved

That the Committee notes the progress that has been achieved since the serving of the Improvement Notice, and endorses the current action and assurance arrangements that are in place to move towards the lifting of the Improvement Notice.

1118/13 **Food Standards Agency Audit of Walsall Council: 15th - 16th June, 2010**

The report of the Interim Regulatory Manager was submitted:-

(see annexed)

The Area Manager, Environmental Health enlarged upon the report and drew the Committee's attention to the salient points contained therein.

Following questions from Members it was,

Resolved

That the Committee notes the details of the Audit and the successful completion of the Action Plan.

1119/13 **Financial Health Indicators 2013/14**

The report of the Chief Finance Officer was submitted:-

(see annexed)

The Chief Finance Officer enlarged upon the report for the benefit of the Committee.

Resolved

That the Committee notes the financial health indicators.

1120/13 **Annual Review of Treasury Management Policy Statement and Practices and mid-year position statement 2013/14**

The report of the Chief Finance Officer was submitted:-

(see annexed)

The Chief Finance Officer enlarged upon the report for the benefit of the Committee.

A Member requested that future amendments to the policy statement be highlighted in future reports so that Members could see more easily where changes had been made to the document. The Treasury, Financial Administration and Systems Manager agreed to facilitate this.

Resolved

That the Committee:-

- (1) approves and recommends the treasury management policy statement and practices (Appendix A refers) to Council;
- (2) notes and forwards the mid-year position statement for treasury management activities 2013/14 and prudential indicators (Appendix B refers) to Council.

1121/13

Annual Audit Letter 2012/13

The report of the Chief Finance Officer was submitted:-

(see annexed)

The Chief Finance Officer enlarged upon the report for the benefit of the Committee.

Grant Thornton then drew the Committee's attention to the audit conclusions (page 4 refers) and to governance issues. A recommendation under Section 11(3) of the Audit Commission Act, 1998 required the Council to review existing governance processes and procedures to provide assurance that the existing governance framework was fit for purpose. Furthermore, it also sought to establish how governance was applied across the Council to ensure that expected ethical standards were re-inforced and that a culture of compliance was embedded throughout the organisation.

Following questions from Members it was,

Resolved

That the Committee:-

- (1) notes the contents of the Annual Audit Letter;
- (2) refers the Annual Audit Letter to Council for consideration in accordance with the recommendations contained in the letter (at pages 5 and 6);
- (3) notes the establishment of a Corporate Governance Group and its work activity.

1122/13 **Internal Audit progress report for the six month period ending 30th September, 2013**

The report of the Head of Internal Audit was submitted:-

(see annexed)

The Head of Internal Audit enlarged upon the report for the benefit of the Committee.

Referring to the measure of audit reports being issued within six weeks of the audit start date which had received a red rating, The Head of Internal Audit reported that this was a new measure and required embedding.

A Member questioned where this measure had come from and the Head of Internal Audit advised that it was something that she considered important in discussing audit's performance with customers. She reported that plans were in place to improve on this measure at the year end.

Resolved

That the report be noted.

1123/13 **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 for the reasons set out therein and Section 100A of the Local Government Act, 1972 and accordingly resolves to consider those items in private.

1124/13 **Submission of corporate risks for scrutiny**

The report of the Head of Finance was submitted:-

(see annexed)

The Senior Finance Manager enlarged upon the report for the benefit of the Committee and drew attention to corporate risks 2, 6 and 9 which had been selected for scrutiny by the Committee.

The Chief Executive explained the measures which had been put in place to manage these risks.

Resolved

That the report be noted.

(Exempt information under Paragraphs 1 and 4 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

Councillor Murray left the meeting at 8.10 p.m.

1125/13 No or Limited Assurance Internal Audit Reports

The report of the Head of Internal Audit was submitted:-

(see annexed)

The Head of Internal Audit enlarged upon the report for the benefit of the Committee and drew Members' attention to the table contained in page 3 of the report.

Councillor Illmann-Walker asked to be involved in a particular audit.

Resolved

That the Committee:-

- (1) notes the contents of the report and that weaknesses detailed within it have been addressed;
- (2) that Councillor Illmann-Walker be involved in the audit he identified at the meeting.

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

1126/13 Internal Audit unplanned summary report for the six month period ending 30th September, 2013

The report of the Head of Internal Audit was submitted:-

(see annexed)

The Head of Internal Audit enlarged upon the report for the benefit of the Committee and drew attention to the salient points.

Resolved

That the report be noted.

(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

The meeting terminated at 8.35 p.m.

Chair:

Date: