

AUDIT COMMITTEE

Monday 20th July, 2015 at 6.00 p.m.

Conference Room, Council House, Walsall

Present

Mr F Bell (Chairman and Independent Member)
Councillor Chambers (Vice-Chairman)
Councillor Craddock
Councillor Longhi
Councillor Phillips (Substitute for Councillor Robertson)
Councillor Sohal
Councillor Worrall

In attendance

Chief Finance Officer
Head of Internal Audit
Executive Director – Resources
System Leader
Homelessness and Housing Service Manager
Representatives from Grant Thornton
Representative from Ernst and Young

The Executive Director – Resources, System Leader and Homelessness and Housing Service Manager all attended for Agenda Item No. 14 [No and Limited Assurance Internal Audit Reports] only.

1277/15

Apologies / Welcome

Apologies were submitted on behalf of Councillor Robertson, Mr Green and Mrs Hepburn.

The Chair welcomed both old and new Members to the first meeting of the Committee in the 2015/16 Municipal Year and asked everyone to introduce themselves.

Further to Minute No. 1206/14 (Introductions and Vote of Thanks), the Chair reiterated that he intended to manage the Committee consistently with how he had last year. In view of this, the expectation was that all Members should have read their papers in preparation for the meeting. Officers should be concise and succinct when highlighting the salient points within their reports rather than reading a report aloud word for word.

In closing, the Chair also reiterated that he felt that the Committee should reasonably be expected to be able to conclude its business within 2 hours.

1278/15 **Minutes**

The minutes of the meeting held on 20th April, 2015, were submitted:-

(see annexed)

Resolved that the minutes of the meeting held on 20th April, 2015, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

1279/15 **Declarations of Interest**

There were no declarations of interest.

1280/15 **Deputations and Petitions**

There were no deputations submitted or petitions received.

1281/15 **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.

1282/15 **Notification of any issues of importance for consideration at a future meeting**

There were no issues highlighted.

1283/15 **The Proposed Remit of the Audit Committee and Draft Work Plan 2015/16**

A report was submitted:-

(see annexed)

The Chief Finance Officer presented the report and highlighted the salient points contained therein.

Members considered the report which sought approval of the Committee's remit and Work Plan for the 2015/16 Municipal Year.

The Chair highlighted some typographical errors in the remit document.

Resolved that, subject to corrections to the typographical errors being made, the remit of the Audit Committee and Work Plan for the 2015/16 Municipal Year be approved.

1284/15

External Auditor's Audit Plan Report 2014/15

A report was submitted:-

(see annexed)

The Chief Finance Officer introduced the covering report and the representatives from Grant Thornton highlighted the salient points contained within their report.

Members considered the report which provided detail in relation to Grant Thornton's audit approach for the 2014/15 Statement of Accounts along with the results of their interim audit work to date, recommendations arising from that and the Council's response. In particular, the I.T. specialist representative from Grant Thornton provided the Committee with an in depth breakdown of the various I.T. related issues as set out in Appendix 1 to the report.

Arising from the lengthy debate on this matter, it became apparent that the level of concern, which was highlighted by the I.T. Specialist representative from Grant Thornton in his presentation to the Committee, had not been conveyed to Management. In view of this, the Chief Finance Officer advised that if the concern had have been conveyed to Management, it would have been addressed and responded to accordingly.

The Head of Internal Audit advised that Grant Thornton had undertaken their assessments during January, 2015, and it was a 'snapshot' of the areas identified at that particular time. Internal Audit had since reviewed these areas more recently in June, 2015, and a number of improvements had been made. In view of this, it was agreed that a briefing note be sent out to Members on the updated position with the identified areas of concern and that a full follow up report be submitted on the matter to the next meeting.

Resolved that: -

1. the report, and measure being taken to ensure that the Council meets its obligations, be noted;
2. a briefing note be sent out to Members on the updated position with the areas identified within the I.T. assessments, as set out in Appendix 1 of the report;
3. a follow up report be submitted to the next meeting of the Committee in relation to the areas identified within the I.T. assessments, as set out in Appendix 1 of the report.

1285/15 **Annual Report of the Audit Committee 2014/15**

A report was submitted:-

(see annexed)

The Chief Finance Officer presented the report and highlighted the salient points contained therein.

Members considered the report which sought approval for the annual report to be presented to Council by the Vice-Chair.

Resolved that: -

1. the Annual Report of the Audit Committee 2014/15 be approved; and
2. the Annual Report be presented by the Vice-Chair of the Audit Committee to the next meeting of Council.

1286/15 **Internal Audit Update Report**

A report was submitted:-

(see annexed)

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

Members considered the report which provided the Committee with an update on Internal Audit's progress for the year ending 31st March, 2015.

Resolved that the contents of the report be noted.

1287/15 **Internal Audit Annual Report 2014/15**

A report was submitted:-

(see annexed)

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

Members considered the report which provided the Committee with the Head of Internal Audit's Opinion on the Council's Internal Control Environment.

Resolved that the contents of the report be noted.

1289/15 **Financial Health Indicators 2014/15**

A report was submitted:-

(see annexed)

The Chief Finance Officer presented the report and highlighted the salient points contained therein.

Members considered the report which provided the Committee with the details of the financial health indicators for the year ending 31st March, 2015, including the pre-audit year outturn position for both revenue and capital.

Resolved that the financial health indicators be noted.

1290/15 **Annual Review of the Effectiveness of the Systems of Internal Control and the Annual Governance Statement 2014/15**

A report was submitted:-

(see annexed)

The Chief Finance Officer presented the report and highlighted the salient points contained therein.

Members considered the report which provided the Committee with the findings and recommendations of the review of the effectiveness of the Council's system of internal control and review of the effectiveness of Internal Audit. In addition the report also sought the Committee's approval of the Annual Governance Statement 2014/15.

Resolved that: -

1. the findings and recommendations arising from the annual effectiveness review as contained within this report be approved;
2. the final draft Annual Governance Statement be approved for publication alongside the pre-audit Statement of Accounts.
3. it be noted that the final Annual Governance Statement will be presented to members for approval in September, alongside the post-audit Statement of Accounts.
4. it be noted that the final Annual Governance Statement will be updated as necessary for any changes or findings as a result of the audit of the Annual Governance Statement and Accounts over the summer period.

1291/15 **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.

1292/15 **No or Limited Assurance Internal Audit Reports**

A report was submitted:-

(see annexed)

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

Members considered the report which provided the Committee with summaries of internal audit reports which had received a 'no' or 'limited' assurance opinion and internal audit follow up reports which had also received a 'no' or 'limited' progress opinion. The report also sought nomination for Member involvement in some of the more recent areas which had received a 'no' or 'limited' assurance.

The Chair then invited the Executive Director – Resources (who had brought the System Leader and Homelessness and Housing Service Manager along with him) to address the Committee on the Accommodation Services and Homelessness follow-up report. The Officers advised the Committee that all of the actions identified within the report had now been implemented with the exception on one which was on scheduled to be implemented by the agreed deadline.

Resolved that: -

1. the contents of the report be noted
2. Councillor Longhi be selected to participate in the Dudley and Walsall Mental Health Partnership and Integrated Teams Audit; and that Councillor Chambers be selected to participate in the Greenfield Primary School Audit.

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

1293/15 **Internal Audit Update Report**

A report was submitted:-

(see annexed)

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

Members considered the report which provided the Committee with a summary of Internal Audit's unplanned assurance work for the year ending 31st March, 2015.

Resolved that the report be noted.

(Exempt information under Paragraphs 1, 2, 3 and 7 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

Termination of meeting

The meeting terminated at 7.30 p.m.

Chair:

Date: