

AUDIT COMMITTEE

Tuesday 1 February 2005 at 6.00 p.m.

Conference Room at the Council House, Walsall

Present

Councillor David Turner (Chairman)
Councillor Rose Martin (Vice-Chairman)
Councillor Albert Griffiths
Councillor Desmond Pitt
Councillor Ian Robertson
Councillor Harbans Sarohi

150/05 Changes in membership

The Committee noted the under-mentioned changes in membership for the duration of the meeting:

Delete: Councillor Chambers
Substitute: Councillor Sarohi

151/05 Apology

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

152/05 Minutes

Resolved

That the minutes of the meeting held on 21 December 2004, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

153/05 Declarations of interest

Councillor Turner declared a personal non-prejudicial interest in any item relating to St. James JMI School

Councillor Martin declared a personal non-prejudicial interest in any item relating to Park Hall Community Association.

154/05 **Deputations and petitions**

No deputations were received or petitions submitted.

155/05 **Late items to be introduced by the Chairman**

There were no late items to be introduced by the Chairman.

156/05 **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

157/05 **Annual Audit letter 2004**

The report of the District Auditor was submitted:

(see annexed)

John Gregory (District Auditor) enlarged upon the report and indicated that Walsall had maintained significant progress and improvement during the last 12 months, in the way the Council was run and the services it provided. He drew the Committee's attention to the table of best value performance indicators on page 5 of the report and stated that this showed the major move forward achieved by Walsall Council in that an increasingly consistent pattern of improvement was evident.

He reminded the meeting that the overall level of satisfaction with the Council by the general public was low and not commensurate with actual performance and it was recognised that this would take some time to turn this around. However, if improvements in services were sustained and the impact of public relations was maximised, then satisfaction levels should improve.

Following questions from members, Councillor Turner thanked John Gregory for his comments and it was:

Resolved

That the Committee:

- (1) receives the Annual Audit and inspection letter 2004; and

- (2) agrees to receive an action plan to address the points raised in the letter at the next meeting of the Committee

158/05 **Annual Audit letter 2002-2003 – progress report**

The report of the Executive Director was submitted:

(see annexed)

Andy Burns enlarged upon the report for the benefit of the Committee.

Resolved

That the progress against the key issues identified in the annual audit letter 2002/03 be noted.

159/05 **Audit progress report 2004/05**

The report of the District Auditor was submitted:

(see annexed)

Brian Warwick enlarged upon the report. Referring to Putting the Citizen First, he indicated that the process associated with the project and the choice of a preferred partner had been carried out robustly. Regarding agency staffing cover, an update on the action plan would be submitted to the next meeting of the Committee.

With reference to the review of Nurciss, Brian Warwick reported that two mock closedowns had been carried out successfully and an audit review would be undertaken at the end of February. This should assist with the audit of accounts in July/August.

Councillor Robertson referred to the uncertain future for nine community associations and to the fact that some neighbourhood resource centres were in difficulty. Brian Warwick replied that these issues were operation service issues.

Resolved

That the audit progress report be noted.

160/05 **Putting the Citizen First**

The report of the District Auditor was submitted:

(see annexed)

Brian Warwick stated that the report represented the position statement as at the end of August 2004. He felt that all necessary controls on the processes so far reviewed were in place and there was good documentation for all decision making. He drew particular attention to pages 2 and 3 of the report relating to the main issues requiring consideration. He added that, if the standards of project management seen so far were carried into the rest of the project, then the Council would have a good basis for a successful project.

Councillor Turner suggested that Putting the Citizen First should be considered at a meeting of the Committee once the contract had been completed and was operational. Carole Evans reported that the Community Organisation, Leisure and Culture Scrutiny and Performance Panel had been considering Putting the Citizen First for sometime as part of their work plan.

Councillor Robertson commented that he thought it would be helpful if shadow cabinet members could inspect the contract and have an opportunity to vet it in detail.

Carole Evans reported that legal and financial external advisers had been employed by the Council to examine the contract in detail. The local authority had a good experienced in-house team working on the project and the contract would only be signed off if it could be shown to be affordable and sustainable.

After further discussion, it was:

Resolved

That the report be noted.

161/05 **Corporate risk management position statement**

The report of the Executive Director was submitted:-

(see annexed)

Ann Johnson enlarged upon the report and advised that the Council's risk management activity had scored the maximum of 4 in the annual Audit Commission's assessment of the Council's "use of resources", a further 34 officers and 20 Councillors had received risk management training. She added that the remaining 40 Council members would be given the opportunity to train on risk management through the member development scheme. An action plan on risk management was being prepared and it was intended to submit it to the March meeting of the Committee. After further discussion it was:-

Resolved

That the Committee:

- (1) notes the contents of the report and appendices; and

- (2) agrees to receive further reports on the implementation of action plan(s) to future meetings of the Committee;
- (3) Thanks Mrs. Johnson and her team for their excellent work.

162/05 **Audit Committee risk strategy 2005-2006**

The report of the Executive Director was submitted:

(see annexed)

Ann Johnson reported that it was proposed to arrange a workshop at which members would prioritise and agree risk management action plans. She added that members would be encouraged to look at those risks that would prevent the Committee from achieving its objectives.

Councillor Turner referred to the proposal to hold a further Audit Committee meeting at the end of April/beginning of May. He suggested that it might be a suitable opportunity to consider the risk management workshop.

Ann Johnson agreed to write to members producing a basket of risks for them to consider managing prior to the Committee meeting.

Resolved

That the Committee:

- (1) notes the contents of the report;
- (2) agrees to the setting up of a facilitated workshop at which members will prioritise and agree risk management action plans to manage identified risks; and
- (3) agrees to hold a workshop on Thursday 28 April 2005 commencing at 6.00 pm.

163/05 **Internal Audit – performance for the 9 months ending 31 December 2004**

The report of the Executive Director was submitted:

(see annexed)

David Blacker referred to the table on page 3 of the report. In response to questions from members, he reported that “audits completed within the planned time” which were currently running at 91% were expected to have achieved the target (95%) by the end of the financial year.

Resolved

That the Committee notes the service's high level of achievement against its performance indicators and targets.

Private session

164/05 **Exclusion of public**

Resolved

That during consideration of the remaining items on the agenda, the Cabinet considers that the items for consideration are exempt information by virtue of the appropriate paragraph(s) of Part I of Schedule 12A of the Local Government Act, 1972, and accordingly resolves to consider those items in private.

165/05 **Internal Audit: report for 9 months ending 31 December 2004**

The report of the Executive Director was submitted:

(see annexed)

David Blacker enlarged upon the report for the benefit of the Committee. In response to questions from members regarding sickness levels, he reported that the 51 days for sickness related largely to one employee's lengthy illness.

Referring to appendix 5 of the report, David Blacker asked members to select a sample of completed audit reports for detailed scrutiny. Following a detailed discussion, members selected Barr Beacon CA and Asylum Seekers.

After further consideration it was:

Resolved

That the Committee:-

- (1) notes the service's high level of achievement during the period against performance indicator targets;
- (2) selects Barr Beacon CA and Asylum Seekers for detailed scrutiny.

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

166/05 **Submission of Internal Audit report for scrutiny**

The report of the Executive Director was submitted:-

(see annexed)

David Blacker reported that budgetary control within the Catering PSE was improving. Individual budgets had been allocated to all secondary schools and were currently being trialled at 8 primary schools before being rolled out to all remaining primary schools in the borough. He added that Catering PSE was on target to remain within its 2004/2005 cash limited budget.

Councillor Turner commented that the low take-up of school meals was creating problems for Catering PSE.

Councillor Robertson referred to the problems of obesity in children which Walsall was struggling to cope with at present.

Councillor Martin felt that the situation was further exacerbated by the number of vending machines available to children in schools.

After further discussion it was:-

Resolved

That the report be noted.

(Exempt information under paragraphs 7, 8 & 9 of Part I of Schedule 12A of the Local Government Act, 1972)

Termination of meeting

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

Chairman:

Date: