

## **AUDIT COMMITTEE**

**Tuesday, 12<sup>th</sup> June, 2012 at 6.00 p.m.**

**Conference Room, Council House, Walsall**

### **Present**

Councillor Hughes (Chairman)  
Councillor Illmann-Walker (Vice-Chairman)  
Councillor Chambers  
Councillor J. Fitzpatrick  
Councillor Flower  
Councillor Murray  
Councillor D. Shires  
Mr. A. Green (Independent Member)

952/12

### **Welcome**

Councillor Hughes welcomed everyone to the first meeting of the Audit Committee in the 2012/13 Municipal Year.

953/12

### **Apologies**

None received.

954/12

### **Minutes**

The minutes of the meeting held on 17<sup>th</sup> April, 2012 were submitted:-

(see annexed)

### **Resolved**

That the minutes of the meeting held on 17<sup>th</sup> April, 2012, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record, subject to the following amendments being made:-

1. That the fourth paragraph of Minute No. 950/12 be amended to state that Councillor Flower had asked the question.

2. That the second paragraph of Minute No. 951/12 be amended to read “Mr. Green requested that the summary reports include the level of financial risk to the organisation in relation to the Audit reports being reviewed.”

955/12      **Declarations of Interest**

There were no declarations of interest.

956/12      **Deputations and Petitions**

There were no deputations submitted or petitions received.

957/12      **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.

958/12      **Notification of any issues of importance for consideration at a future meeting**

No issues of importance for consideration at a future meeting were reported.

959/12      **The Roles and Responsibilities of Audit Committee**

A report was submitted:-

(see annexed)

James Walsh (Chief Finance Officer) presented the report and highlighted the salient points contained therein.

A discussion took place around training for new and existing Members. The Chairman indicated that he would wish to receive the appropriate training as soon as possible so that he could be brought up to speed with issues that would be coming before the Audit Committee. Furthermore, the Chairman suggested that it might be a good idea to arrange a training session prior to the next Council meeting on 9<sup>th</sup> July, 2012 when all Members would be in attendance for that meeting. Jon Roberts (Grant Thornton) indicated that he, or a representative of Grant Thornton, would be more than happy to be a part of any training session.

Councillor Chambers requested that a briefing note be circulated to Members detailing which officers were responsible for producing the various reports coming to the Audit Committee throughout the 2012/13 Municipal Year.

In addition, Councillor Chambers stated that he felt the appointment of the Committee's Independent Member, Mr. Green, had been an excellent addition to the Committee. Members also echoed Councillor Chambers' view. Following a discussion on the matter, the Committee were in agreement that further appointments of Independent Members to the Committee would be beneficial and requested that the process of recruitment and appointment be commenced.

### **Resolved**

- (1) That the contents of the report be noted;
- (2) That the Work Plan, as set out in Appendix 1 of the report, be approved;
- (3) That the process of recruiting further Independent Members to the Audit Committee be commenced;
- (4) That a briefing note be produced and sent to Members clarifying which officers are responsible for the various reports as contained within the Work Plan;
- (5) That training for Members be arranged as soon as possible and before the September meetings of the Audit Committee.

960/12

### **Officer's Exercise of Delegated Powers during 2011/12**

A report and a revised Appendix in relation to the Social Care and Inclusion Directorate were submitted:-

(see annexed)

James Walsh (Chief Finance Officer) presented the report and highlighted the salient points contained therein.

The Chairman questioned why the Committee required this information and what it was expected to do with it. James Walsh reported that it was a Constitutional requirement and formed part of the Committee's remit. Various Councillors then advised that they saw the Committee's role as seeking assurance that the process was being operated and managed effectively and transparently.

Councillor Flower asked whether the decisions set out in the Appendices included decisions taken by Cabinet, a Cabinet Member or any decision delegated to a senior officer by the Cabinet. James Walsh agreed to investigate this matter and report back to Members. James also stated that all the details of the decision taken under delegated powers were contained within files kept by each Executive Director and any Member of the Committee could view those files whenever they wished.

Mr. Green stated that it would be necessary for the Committee to know what the definitions were for both a significant and key decision in order to seek its assurances on the matter. James Walsh agreed to send out the definition of both a significant and key decision to Members.

Rebecca Neill (Head of Internal Audit) reported that the Audit Committee would also obtain assurance from the fact that her team audited this process. Furthermore, Rebecca stated that she would report back to Audit Committee when the next audit was due to take place.

The Chairman questioned why, in some instances, the same decision had been recorded on various different dates. James Walsh agreed to investigate and report back.

Following discussions, the Committee requested that this report be presented on a quarterly basis.

### **Resolved**

- (1) That the list of decisions taken under delegated powers as attached in the Appendices, and the revised Appendix, be noted;
- (2) That it be reported back on the last time this area was audited by Internal Audit and when it is due to be audited again;
- (3) That the definition of what constitutes both a significant and key decision be sent out to Members and whether either a significant or key decision includes a decision taken by Cabinet, a Cabinet Member or any decision delegated to a senior officer by the Cabinet;
- (4) That this report be brought back to the Committee on a quarterly basis in future and that information be provided on why several instances of the same decision had been reported on various dates.

961/12

### **No or Limited Assurance Internal Audit Reports**

A report was submitted:-

(see annexed)

Further to Minute No. 951/12, Rebecca Neill (Head of Internal Audit) presented the report and highlighted the salient points contained therein.

General discussions ensued, following which it was:-

**Resolved**

- (1) That the contents of the report be noted;
- (2) That the following reports be selected for scrutiny at a special meeting of the Committee to be arranged:-
  - Partnership frameworks;
  - Commissioning;
  - Coroner;
  - Charging policies and application (fairer charging and extra care).

962/12      **Internal Audit Progress Report for the Year Ending 31<sup>st</sup> March, 2012**

A report was submitted:-

(see annexed)

Rebecca Neill (Head of Internal Audit) presented the report and highlighted the salient points contained therein.

Councillor Chambers requested that the Committee's best wishes for a speedy return to good health be conveyed to Dave Watton from the Internal Audit team.

Mr. Green stated that it would be useful if future reports detailed information relating to comparisons with previous years.

Councillor Murray asked if future reports could include information with regard to the dates of when Audit reports were issued.

**Resolved**

- (1) That the contents of the report be noted and endorsed;
- (2) That the Committee's best wishes for a speedy return to good health be conveyed to Dave Watton;
- (3) That future reports include comparisons with previous years;
- (4) That future progress reports include information around the dates of when Audit reports were issued.

963/12

**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 by virtue of the appropriate Paragraphs of Part 1 of Schedule 12A of the Local Government Act, 1972, as amended, and accordingly resolves to consider those items in private session.

**Summary of item considered in private session**

964/12

**Internal Audit Unplanned Assurance Summary for the Year Ending 31<sup>st</sup> March, 2012**

A report was submitted:-

(see annexed)

Rebecca Neill (Head of Internal Audit) presented the report and highlighted the salient points contained therein.

**Resolved**

That the contents of 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)

965/12

**Risk Management Update 2012/13**

A report was submitted:-

(see annexed)

Ann Johnson (Corporate Risk and Insurance Manager) presented the report and highlighted the salient points contained therein.

**Resolved**

That the contents of 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)

**Termination of meeting**

There being no further business, the meeting terminated at 7.46 p.m.

Chairman: .....

Date: .....