

AUDIT COMMITTEE

Tuesday, 13th March, 2012 at 6.00 p.m.

Conference Room, Council House, Walsall

Present

Councillor Turner (Chairman)
Councillor Chambers (Vice-Chairman)
Councillor Barker
Mr. A. Green (Independent Member)

925/12

Apologies

Apologies for non-attendance were submitted on behalf of Councillors Flower, Hussain, Murray and Robertson.

926/12

Minutes

The minutes of the special meeting held on 24th January, 2012 and the ordinary meeting held on 30th January, 2012 were submitted:-

(see annexed)

In relation to Minute No. 911/12 of the minutes of the special meeting held on 24th January, 2012, Councillor Chambers sought clarification on the meaning of the seventh paragraph down on page 10 of the minutes. In particular, the part which stated 'The Chief Executive had made it clear that if he was held responsible in a particular area, he would need to know who had been assigned to it'. Vicky Buckley provided clarification that this stated that the Chief Executive would need to know who was the accountable officer for each particular area of concern so that he could properly address the matter.

Resolved

That the minutes of the special meeting held on 24th January, 2012 and the ordinary meeting held on 30th January, 2012, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as correct records.

927/12 **Declarations of Interest**

There were no declarations of interest.

928/12 **Deputations and Petitions**

There were no deputations submitted or petitions received.

929/12 **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.

930/12 **Notification of any issues of importance for consideration at a future meeting**

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

931/12 **Financial Health Indicators 2011/12**

A report was submitted:-

(see annexed)

Vicky Buckley (Head of Finance) presented the report and highlighted the salient points contained therein.

There then followed a period of questioning by Members:-

- In relation to 5.2 of the report, Mr. Green wished to know what risks would impact on future performance. Vicky Buckley advised that she would bring this information back to a future meeting;
- In relation to the first table on Appendix 1, Mr. Green wanted to know why the gearing effect on capital financing estimates was considered green. Vicky Buckley advised that she had previously sent out a briefing note on this matter and would re-send it to Mr. Green;
- In relation to the second table on Appendix 1, Mr. Green sought clarification as to why long term borrowing had increased this financial year. Vicky Buckley advised that she would bring this information back to a future meeting.

Resolved

That the financial health indicators be noted.

932/12

Regulation of Investigatory Powers Act (RIPA) 2000

A report was submitted:-

(see annexed)

Jamie Morris (Executive Director - Neighbourhood Services) presented the report and highlighted the salient points contained therein.

There then followed a period of questioning by Members in relation to:-

- What measures were in place should the senior responsible officer be on annual leave and urgent action was required under RIPA.

Jamie Morris explained that appropriate arrangements were in place for cover and to ensure that authorised officers could act in situations of urgency.

Resolved

That the Council's use of the Regulation of Investigatory Powers Act (RIPA) 2000 be noted.

933/12

Scrutiny of Council Payments: Over £500 Payments List

A report was submitted:-

(see annexed)

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

Members were of the opinion that a decision on this report should be deferred to the next meeting to enable a greater attendance of Members to consider and decide on the future of this report.

Resolved

That this report be deferred to the next meeting.

934/12

Grant Thornton: External Audit Plan 2011/12

A report was submitted:-

(see annexed)

Nicola Coombe (Grant Thornton) presented the report and highlighted the salient points contained therein.

There then followed a period of questioning by Members in relation to:-

- The electoral challenge section on page 6 of the report, Councillor Turner wished to know to whom the right of objection with regard to the accounts would be to;
- Councillor Chambers welcomed the reduction in audit fees;
- The value for money section on page 7 of the report, Councillor Barker asked what benchmarking had been undertaken prior to this exercise;
- Mr. Green sought joint opinion from both internal and external audit on what their relationship was like; how external audit would feedback/report any issues that they had with internal audit; what influence management had over the appointment of the external auditor and how long Grant Thornton had been the Council's external auditors. In addition, Mr. Green sought assurances that the relationship between internal and external audit was still fair, unbiased and fit for purpose given the relationship thus far.

Both Nicola Coombe and Rebecca Neill responded and reported on the joint measures in place to ensure that the working relationship between external and internal audit was as effective as possible. Furthermore, Rebecca Neill reported that an update report on the future of local public audit consultation paper would be on the agenda for a future meeting of the Committee.

Nicola Coombe advised that the external auditor set aside a specific date during the final accounts audit when the electorate could contact him to discuss the accounts or raise an objection.

Resolved

That the Audit Plan 2011/12 be received.

935/12

Grant Thornton: Grant Certification Report 2010/11

A report was submitted:-

(see annexed)

Nicola Coombe (Grant Thornton) presented the report and highlighted the salient points contained therein.

Councillor Chambers asked for the Committee's thanks to be recorded in the minutes for all the hard work undertaken by all officers involved in this.

Resolved

That the Grant Certification Report 2010/11 be received.

936/12

Accounting Policies 2011/12

A report was submitted:-

(see annexed)

Richard Walley (Lead Accountant) presented the report and highlighted the salient points contained therein.

There then followed a period of questioning by Members in relation to:-

- Mr. Green requested that depreciation of heritage assets be included in the depreciation section of the policy;
- Councillor Chambers asked if a more simple form of words and better clarity could be given to the wording "the carrying amounts" referred to in the heritage assets general section of the report;
- Clarity was sought by Councillors Turner and Barker in relation to what constituted assets of the West Midlands Authority's Pensions Fund;
- Mr. Green sought Grant Thornton's opinion on heritage assets;
- Councillor Chambers sought further clarification on what constituted Civic Regalia within the local neighbourhoods of the Authority;
- Various Members and Jamie Morris highlighted a small number of typographical errors within the report.

Vicky Buckley advised that changes to the accounting policies would be made to incorporate the issues identified above.

Resolved

- (1) That the use of the attached accounting policies for the financial year 2011/2012 be approved, subject to the typographical errors being rectified;
- (2) That the change in the accounting standards be noted.

937/12 **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.

938/12 **Internal Audit Work Plan 2012/13**

A report was submitted:-

(see annexed)

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

Resolved

- (1) That the internal audit Work Plan for 2012/13 be endorsed;
- (2) That the contents of the internal audit charter be noted.

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

939/12 **Internal Audit Plan 2011/12**

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 be recorded in the minutes and passed on to David Watton, one of Internal Audit's Principal Auditors, for a speedy return to good health.

Resolved

That the contents of the report be noted and endorsed.

(Exempt information under Paragraph 3 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 6.50 p.m.

Chairman:

Date: