

AUDIT COMMITTEE

Monday 24th February, 2014 at 6.00 p.m.

Conference Room, Council House, Walsall

Present

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

In attendance

Head of Internal Audit
Head of Legal and Democratic Services
Head of Community Care
Head of Provider Services
Service Manager – Integrated Immediate Care
Senior Finance Manager
Representative from Grant Thornton

1144/14

Apologies

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

1145/14

Minutes

The minutes of the meetings held on 18th December, 2013 and 6th January, 2014, were submitted:-

(see annexed)

Resolved that the minutes of the meetings held on 18th December, 2013 and 6th January, 2014, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as correct records.

1146/14 **Declarations of Interest**

There were no declarations of interest.

1147/14 **Deputations and Petitions**

There were no deputations submitted or petitions received.

1148/14 **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.

1149/14 **Notification of any issues of importance for consideration at a future meeting**

No issues were raised.

1150/14 **Officer's Exercise of Delegated Powers during 2013/14**

A report was submitted:-

(see annexed)

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

Arising from discussions on this item, Members queried some of the decision taken under the Interim Executive Director of Social Care and Inclusion's delegated powers as they appeared to be related, more so, to Highway and Transport functions.

The Chief Finance Officer agreed to arrange for the Interim Executive Director of Social Care and Inclusion to produce a briefing note for Members on the matters in questions.

Resolved that: -

1. the list of decisions taken under Officer's Exercise of Delegated Powers, as set out in appendices 1 – 5, be noted;

2. a briefing note providing the details of the decisions taken by the Interim Executive Director of Social Care and Inclusion under his delegated powers on 19th June and 24th December, 2013, be sent to Members.

1151/14

Hollybank Intermediate Care Unit – Care Quality Commissioning Warning Notice

A report was submitted:-

(see annexed)

The Head of Community Care, supported by the Head of Provider Services and Service Manager – Integrated Immediate Care, was in attendance and presented the report and highlighted the salient points contained therein.

The Officers provided further historical background information to give Members some context on the present position in relation to this matter. Furthermore, the Officers sought to provide the Committee with an assurance that the issues, as identified by the Care Quality Commission Inspection, had adequately been addressed within the action plan as set out at Appendix 1.

Arising from discussions on this item, Members raised their concerns and asked a number of questions in relation to the particular issues identified within the Quality Care Commission Notice. In particular, Members vehemently challenged what due diligence arrangements had been in place to protect the Council in relation to the transfer of the service to the Council from Housing 21 as they appeared to have been inadequate.

Members noted that concerns had also been raised at the previous meeting of the Committee in relation to the due diligence arrangements regarding the effectiveness of the transitional arrangements which had been in place on the transfer of children's centres into Walsall Council's ownership [Minute No. 1143/14 refers]. Members expressed their concern that there appeared to be a pattern and questioned whether the Council's existing due diligence arrangements were adequate and if, in their current form, they left the Council exposed to unnecessary risk. In view of this, Committee requested that a briefing note on the Council's due diligence framework for the transfer of services back into Council ownership be prepared and sent out to Members.

Members conveyed that, at present, they did not feel particularly assured on this matter. In addition, it was suggested that a further report be brought to the next meeting after the Quality Care Commission had performed its follow up review at the end of February. It was felt that this review could go some way towards providing the Committee with the assurance it sought on the matter.

Resolved that: -

1. A further report on Hollybank Intermediate Care Unit be brought back to the next meeting following the Quality Care Commission's follow up review;
2. That Members receive a briefing note on the framework for which the Council undertakes its due diligence arrangements for the transfer of services back into the Council.

1152/14 **Financial Health Indicators 2013/14**

A report was submitted:-

(see annexed)

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

Following a brief discussion on this item, it was: -

Resolved that the financial health indicators be noted.

1153/14 **Revised Corporate Risk Management Strategy (CRMS) 2013/14**

A report was submitted:-

(see annexed)

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

Arising from discussions on this item, Members made the following suggestions: -

- It would have proved useful, and will prove useful in future years, to have a summary sheet of what and where changes have been made to the documents;
- The 'likelihood' and 'impact' descriptors within the 'Risk Toolkit' were too subjective. Better and more descriptive parameters were required on the risk analysis to provide more qualitative and measurable outcomes;
- In relation to the diagram on page 10 of the CRMS, it was suggested that it could be amended to provide greater clarity with reference to the separation between the Council and its Partners;
- A typographical error was highlighted on page 7 of the CRMS.

The Chief Finance Officer agreed that the above issues could be addressed to provide greater clarity within the CRMS document.

In relation to a specific point regarding whether the business of the Audit Committee was communicated to staff and other Members, or not, it was suggested that this matter could be picked up and considered as part of a future training programme.

Resolved that, subject to the comments and suggested amendments above, the revised draft corporate risk management strategy be endorsed:-

1154/14 **Public Sector Internal Audit Standards**

A report was submitted:-

(see annexed)

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

Members asked various questions on this item in relation to the requirement to be externally assessed, why it was necessary and why the Committee could not just rely on the External Audit opinion.

The representative from Grant Thornton advised that the scope of this work was different to the work that External Audit undertook in producing their financial statements opinion.

The Head of Internal Audit advised that this was a relatively new requirement and that the Authority as well as others which were also subject to the new standards, were very much feeling their way. Furthermore, she also advised that she would bring an options appraisal paper to a subsequent meeting of the Committee.

A Member suggested that it might be worth considering a 'carousel system' whereby Local Authorities checked each other's compliance with the Standards. The Head of Internal Audit agreed to raise the matter at the meeting of the Midlands Audit Group, which Walsall will be hosting at the end of March 2014.

Resolved that the contents of the report be noted.

1155/14 **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.

Summary of item considered in private session

1156/14 **Internal Audit Plan 2014/15**

The Committee approved the Internal Audit Plan for 2014/15, including the revised Audit Charter and the necessary amendments to the 2013/14 Audit Plan were noted.

Termination of meeting

The meeting terminated at 7.45p.m.