

AUDIT COMMITTEE

Tuesday, 12th April, 2011 at 6.00 p.m.

Council Chamber Foyer, Council House, Walsall

Present

Councillor Turner (Chairman)
Councillor Rochelle (Vice-Chairman)
Councillor Douglas-Maul
Councillor Robertson
Councillor D. Shires

830/11

Apologies

Apologies for non-attendance were submitted on behalf of Councillors Chambers and Flower.

831/11

Minutes

Resolved

That the minutes of the meetings held on 3rd, 22nd and 28th February, 2011, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as correct records.

832/11

Declarations of Interest

There were no declarations of interest.

833/11

Deputations and Petitions

There were no deputations submitted or petitions received.

834/11 **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.

835/11 **Notification of any issues of importance for consideration at a future meeting**

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

836/11 **Over £500 payments list**

The report of the Head of Internal Audit was submitted:-

(see annexed)

Rebecca Neill (Head of Internal Audit) enlarged upon the report for the benefit of the Committee, including items which had been queried/scrutinised from the publicised over £500 payments list between September, 2010 and February, 2011.

She also commented that Members had individually received training as requested on how to access the list prior to the commencement of this Audit Committee.

Resolved

That the report be noted.

837/11 **Training**

The roles of internal and external audit

Rebecca Neill (Head of Internal Audit) delivered a training session on the role of internal audit for the benefit of the Committee:-

(see annexed)

Jon Roberts (Grant Thornton) delivered a training session on the role of external audit for the benefit of the Committee:-

(see annexed)

Resolved

That the training roles of internal and external audit functions be noted.

838/11

Scheme of Delegations

The report of the Executive Director was submitted:-

(see annexed)

John Garner (Constitutional Services Manager) enlarged upon the report for the benefit of the Committee. He stated that any amendments to officer delegations would be considered by Annual Council at its meeting to be held on 23rd May, 2011. The wholesale review of officer delegations had been undertaken in 2008/09 and minor amendments had been carried out in 2010. Amendments to officer delegations for 2011/12 would reflect new legislation and minor operational matters. Proposed changes were highlighted in bold type. He added that it was considered best practice to refer the proposed amendments to Audit Committee and Council.

Resolved

- (1) That the Committee endorses the revisions to officer delegations as set out in the Appendix to the report now submitted;
- (2) That the report be circulated to Group Leaders and independent Members for information.

839/11

Limited and no assurance audit reports

The report of the Assistant Director, Finance was submitted:-

(see annexed)

Rebecca Neill (Head of Internal Audit) enlarged upon the report detailing audit reports that had been provided with a "limited" assurance opinion finalised between 4th November, 2010 and 8th March, 2011. There had been no "no assurance" opinions during that period. She asked Members to select reports for scrutiny at a special meeting of the Audit Committee.

After further discussion it was,

Resolved

That a special meeting of the Audit Committee be arranged to scrutinise the following reports:-

Transition and leaving care
CCTV/surveillance
Home Care Establishments

840/11 **Appointment of Independent Member**

The report of the Assistant Director, Finance was submitted:-

(see annexed)

Rebecca Neill (Head of Internal Audit) enlarged upon the report for the benefit of the Committee. She drew attention to the fact that Mr. A. Green had been selected to be the Independent Member to the Audit Committee from the commencement of the 2011/12 Municipal Year. She added that the appointment would be ratified by Council at its May meeting and Mr. Green would be appointed for a term of two years.

Rebecca Neill drew the Committee's attention to Paragraph 1.5 of the report and indicated that Mr. Green would be required to sign up to the Members' Code of Conduct and declare an interest in any matter arising in which he held an interest. He was currently Secretary to the Black Country Partnership Trust.

Resolved

That Council be recommended to appoint Mr. A. Green as an Independent Member of the Audit Committee with effect from the start of the 2011/12 Municipal Year with a term of office of two years.

841/11 **Grant Report 2009/10**

The report of the Assistant Director, Finance was submitted:-

(see annexed)

Jon Roberts (Grant Thornton) enlarged upon the report and drew the Committee's attention to the key messages contained on pages 2 and 3. He indicated that the workshop held in 2010 had been very useful and the success would come through in next year's grants.

Resolved

That the Committee notes the recommendations made by Grant Thornton and the actions being taken to address them.

842/11

Review of school balances

The report of the Assistant Director of Finance, together with the report from Grant Thornton was submitted:-

(see annexed)

Jon Roberts (Grant Thornton) enlarged upon the report and drew attention to the fact that Walsall's balances were relatively high compared with its comparator groups. However, since 2009, balances had been falling but at a slower rate than comparator Authorities. He added that schools needed to be challenged in a robust way to reduce their balances further.

Councillor Robertson asked if an Appendix could be added to the report naming schools and showing their balances so that Governors would be encouraged to act in reducing them.

Dan Mortiboys (Financial Services) explained that school balances had fallen by almost a third in the last year.

Councillor Douglas-Maul asked if there was any relationship between the quality of education provided and the size of balance retained. Dan Mortiboys replied that he was not aware of any such relationship.

After further discussion it was,

Resolved

That the reports be noted and referred to the Children and Young People Scrutiny and Performance Panel and the Schools Forum for consideration.

843/11

Accounts and Audit Regulations 2011

The report of the Chief Finance Officer was submitted:-

(see annexed)

Richard Walley (Financial Services) enlarged upon the report and indicated that the major change arose from Regulation 8 regarding the signing, approval and publication of the statement of accounts. The draft statement of accounts could now be approved by the responsible officer rather than a Committee but a summary would still be provided to Committee under best practice. The final post audit statement of accounts would still be carried out by Committee prior to the 30th September each year.

Resolved

That the Committee notes the changes to the approval of the draft statement of accounts introduced by the Accounts and Audit Regulations 2011.

844/11

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.

845/11

Internal Audit Benchmarking

The report of the Assistant Director, Finance was submitted:-

(see annexed)

Rebecca Neill (Head of Internal Audit) enlarged upon the report and drew the Committee's attention to the salient points.

Resolved

That the report and appendices be noted.

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

846/11

Risk management update 2010/11

The report of the Chief Finance Officer was submitted:-

(see annexed)

Ann Johnson (Risk Manager) enlarged upon the report for the benefit of the Committee and indicated that the number of risks had been reduced from 32 to 26. Three risks were classified as red and the remainder were amber. She drew Members' attention to Appendix 2 which showed the risks which had been removed from the register.

Resolved

That the Committee:-

- (1) Notes that the Corporate Management Team (CMT) has undertaken a review of the Corporate Risk Register (CRR) in December, 2010 and revised it in March, 2011;
- (2) Notes the updated Corporate Risk Register;
- (3) Notes the risks removed from the register (Appendix 2 refers);
- (4) Selects Risks 4 and 23 for review at a future meeting;
- (5) Notes the updated risk management action plans related to the Committee's risk register and action taken in managing those risks;
- (6) Notes that an annual review of the register will be carried out in June, 2011, together with risk management training.

(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 7.55 p.m.

Chair:

Date: