

AUDIT COMMITTEE

Monday 18th April, 2016, at 6.00 p.m.

Conference Room, Council House, Walsall

Present

Mr F Bell (Chairman and Independent Member)
Councillor Chambers (Vice-Chairman)
Councillor Craddock
Councillor Longhi
Councillor Robertson
Councillor Worrall

In attendance

Head of Finance
Audit Manager
Senior Finance Manager
Senior Accountancy Officer
Head of Democratic Services

Representative from Mazars

23/16

Apologies

Apologies were submitted on behalf of Councillor Sohal and Mr Green.

24/16

Minutes

The minutes of the meeting held on 22nd February, 2016, were submitted:-

(see annexed)

Resolved

That the minutes of the meeting held on 22nd February, 2016, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

25/16 **Declarations of Interest**

Mr Bell declared an interest in relation to any item(s) on the agenda which made reference to WHG.

26/16 **Deputations and Petitions**

There were no deputations submitted or petitions received.

27/16 **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.

28/16 **Notification of any issues of importance for consideration at a
future meeting**

There were no issues highlighted.

29/16 **Amendments to Officer Delegations under Part 3.5 of the
Council's Constitution**

A report was submitted:-

(see annexed)

The Head of Democratic Services presented the report and highlighted the salient points contained therein.

Members reviewed the report which set out the proposed amendments to the scheme of Officer Delegations which was to be considered by Annual Council at its meeting to be held on 23rd May, 2016.

Arising from discussions, Members felt that the summary of the report should be amended when it goes to Council so it would be clear that the revisions this year were more of a 'wholesale' review to reflect the many structural changes that have occurred since the last revision.

Resolved that: -

1. the report be noted;
2. the report be circulated to Group Leaders and Independent Members for information.

30/16

Internal Audit Charter

A report was submitted:-

(see annexed)

The representative from Mazars presented the report and highlighted the salient points contained therein.

Members considered the report which set out the terms of reference and served as a basis for the governance of Walsall Council's Internal Audit function. In addition, it also set out the purpose, authority and responsibility of the function in accordance with the UK Public Sector Internal Audit Standards.

Arising from discussions on this item, a Member queried why the Committee had not received, or been updated in relation to, no or limited assurance audit reports since November, 2015. In particular, a report on a fraud matter concerning money, home job was cited as it was contained within the last report the Committee had received in November, 2015.

The Head of Finance advised that the Committee would in future be receiving updates as and when reports were issued and would receive quarterly updates as standard.

Following further discussions, it was agreed that a standing item would be placed on future agendas in relation to no or limited assurance internal audit reports / ongoing actions to ensure that progress could be tracked and assurances gained.

In addition, Members requested that an update note on no or limited assurance audit reports, referred to at the November, 2015, meeting, be circulated to all Members of the Committee.

Resolved that the Charter be approved.

31/16

Accounting Policies 2015/16

A report was submitted:-

(see annexed)

The Senior Finance Manager presented the report and highlighted the salient points contained therein.

Members considered the report which set out the accounting policies for 2015/16. The statement of accounts summarised the Authority's transactions for the 2015/16 financial year and its position at the year-end of 31 March, 2016. The Authority was required to prepare an annual statement of accounts by the Accounts and Audit (England) Regulations, 2015. Those regulations required the statement of accounts to be prepared in accordance with proper accounting practices. These practices primarily comprised the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and the Service Reporting Code of Practice.

Resolved that the accounting policies, which will be used in the completion of the financial statements for 2015/16, be noted.

32/16

Revised Corporate Risk Management Strategy (CRMS) 2016

A report was submitted:-

(see annexed)

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

Members considered the report which detailed the corporate risk management strategy (CRMS). The document had been reviewed and the revised strategy was submitted for consideration. The strategy would continue to evolve as the organisation did, and further revisions and updates would be provided as and when appropriate. Under the arrangement to deliver the Internal Audit Service from 1 April 2016, Mazars would also be responsible for annually reviewing, supporting and maintaining the CRMS. The Assistant Director of Finance would remain as the Officer Champion for risk management within the Council.

The Chair advised that Mr Green had submitted a query in relation to whether or not it was appropriate for the Chair to sign the 'foreword' in the report as the date included within the document was dated before the Committee actually got to view and approve the document. In addition, he requested that the risk appetite and likelihood descriptors be added to the Strategy.

In view of this comment, the Chair advised that he would sign the document subject to the date being amended to the same date as the Committee meeting (18th April, 2016). The Head of Finance advised that she would add the risk appetite and likelihood descriptors to the Strategy.

Resolved that, subject to the above, the revised corporate risk management strategy, and arrangements for future revisions, be noted.

33/16 **Risk Management Update**

A report was submitted:-

(see annexed)

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

Members considered the report which provided an update on the corporate risk register (CRR) to provide the Committee with an assurance that significant business risks were identified and appropriate action was taken to manage these risks. This register had been reviewed by the Corporate Management Team (CMT) at its meeting on 3rd March, 216.

The Chair advised that Mr Green had submitted a request for Risks 1 and 22 to be considered for scrutiny by the Committee at future meetings, subject to the Committee's agreement.

A discussion ensued in relation to how the Council planned to manage public expectations of its services in the future taking in to account the budget pressures that the Council will inevitably face.

Resolved that the corporate risk register be noted and that Risks 1 and 22 be selected for scrutiny by the Committee at future meetings.

34/16 **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 the items in private.

35/16 **Risk Management Update**

A report was submitted:-

(see annexed)

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

Members considered the report which provided the Committee with an update on corporate risk number 18. The risk was presented for scrutiny by Audit Committee at its last meeting on 22nd February 2016. The risk had not altered since that meeting, but it had been included at this meeting for completeness.

Resolved that the corporate risk register be noted.

(Exempt information by virtue of Paragraphs 1 and 4 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

36/16

Vote of Thanks

The Committee wished to have their thanks recorded in relation to Mary Costello (Audit Manager) whom had managed the Audit Team in the intervening period after the Head of Internal Audit had departed, as she had recently retired from the Authority.

Termination of Meeting

The meeting terminated at 6.40 p.m.

Chair:

Date: