

AUDIT COMMITTEE

Monday, 2nd March, 2009 at 6.00 p.m.

Conference Room at the Council House, Walsall

Present

Councillor Turner (Chairman)
Councillor Chambers
Councillor Robertson
Councillor Rochelle
Councillor D. Shires

574/09

Apology

An apology for non-attendance at the meeting was submitted on behalf of Councillors Aftab and Martin and Ms. Kate McLeod (Independent Member).

575/09

Minutes

Resolved

That the minutes of the meeting held on 13th January, 2009, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

576/09

Declarations of Interest

There were no declarations of interest.

577/09

Deputations and Petitions

No deputations were received or petitions submitted.

578/09 **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.

579/09 **Presentation - Use of Resources**

Jon Roberts (Grant Thornton) introduced Ian Barber - Senior Performance Manager at Grant Thornton, who made a PowerPoint presentation on use of resources 2009 with the aid of slides, a copy of which had been handed to Members present at the meeting:-

(see annexed)

Ian explained the changes from the old use of resources to the new framework for 2008/09. The number of themes had been reduced from 5 to 3 with value for money at the centre. Key lines of enquiry would be scored on a 1 to 4 scale, with 1 being poor and 4 excellent. The first assessments would be reported as part of the CAA in Autumn 2009. He indicated that the new process focused on outcomes and it was anticipated that Walsall would achieve a strong Level 2 with some 3's at sub-theme/KLOE level. He added that the Audit Commission had put a lot more emphasis on key lines of enquiry and there would be no overall score for use of resources in future but there would continue to be scores for the 3 themes and the sub-themes.

Councillor Robertson asked where partnership working fitted in. Ian Barber replied that it was included throughout the key lines of enquiry.

Jon Roberts indicated that this was picked up more fully in the comprehensive area assessment.

Councillor Chambers asked what changes would be the most challenging for Walsall. Vicky Buckley replied that asset management, natural resources and commissioning and procurement would provide the biggest challenges. She added that a task group had been set up and lead officers across the organisation had each been given a sub theme.

Councillor Chambers asked if the Authority had adequate capacity to cope with the changes. Vicky Buckley replied that capacity was always an issue, however, corporate working would help here. Putting together the case studies to show the necessary evidence would take some time.

After further discussion it was,

Resolved

That the presentation be noted.

580/09

Internal Audit Activity for the nine months ending 31st December, 2008

The report of the Executive Director (Resources) was submitted:-

(see annexed)

David Blacker referred to the table on page 2 of the report and confirmed that Internal Audit was making good progress to achieve its targets. He drew attention to the staffing difficulties and stated that the audit partner was assisting here.

Councillor Robertson asked whether the vacancies offered cause for concern. David Blacker replied that Internal Audit had tried to recruit but without success. He added that adverts for all vacant posts would be re-advertised shortly.

Members requested that Darlaston Sure Start (Ilmington House) and Stroud Avenue Children's Centre should be selected for scrutiny and it was,

Resolved

That the Committee:-

- (1) notes that as at quarter 3 of 2008/09 Internal Audit has delivered on all of its performance targets, maintaining a high level of overall performance for the year;
- (2) selects Darlaston Sure Start (Ilmington House) and Stroud Avenue Children's Centre for detailed scrutiny.

581/09

Corporate Financial Performance 2008/09

The report of the Executive Director (Resources) was submitted:-

(see annexed)

Vicky Buckley reported that at the end of the third quarter in December, 2008 the Council was showing an overspend of £1.8 million. She indicated that it now stood at £1.3 million and was continuing to reduce. She added that the figures were reported monthly to the Scrutiny Panel.

Councillor Robertson referred to the underspend on aids and adaptations. Vicky confirmed the figures.

Councillor Turner asked if officers were happy with Scrutiny's involvement in the monitoring of the outturn. Vicky confirmed that she was. She added that things were moving in the right direction.

Councillor Mrs. Shires referred to the non-essential vacancy freeze.

Vicky stated that the posts remained vacant in the short term, delaying recruitment, rather than ceasing it and the vacancies could also not be filled by agency staff.

Councillor Robertson referred to Paragraph 4 on page 2 of the report regarding the banking collapse and the evaporation of confidence in the business sector. Vicky confirmed it was difficult to get good investment returns at the moment.

Resolved

That the Committee notes the currently predicted year end forecasts and the action being taken to address this.

582/09

Proposed draft amendments to officer delegations under part 3.5 of the Council's Constitution

The report of the Assistant Director of Law and Constitutional Services was submitted:-

(see annexed)

Tony Cox (Head of Law - Contentious) stated that under the Local Government Act, 2000, the Council was required to have a Constitution. Decisions which were made had to be made within the law and delegations to officers should be revised annually. Unfortunately, officer delegations had not been revised for some time so job titles were wrong, legislation which had been repealed had not been removed and new legislation had not been included. An ongoing review was now taking place correcting these errors and making the document transparent and accountable.

Tony Cox drew attention to Paragraph 3.8 of the report and to the timetable for consultation on the changes to the Constitution. He added that it would be reviewed on an annual basis for the foreseeable future.

Councillor Robertson referred to Delegation 37 on page 67 regarding advertising on street lighting columns. He added that as this required planning permission, very few adverts had been approved, costing the Council millions of pounds in lost revenue.

Councillor Turner referred to Delegation 27(f) on page 65 regarding the design of bus priority measures and the location of bus stops and shelters. He thought that this was carried out by Centro, not the Local Authority. Tony Cox undertook to investigate these matters and carry out appropriate amendments. He added that once all the corrections had been completed, a new Section 3.5 of the Constitution would be issued.

Resolved

- (1) That the Committee's comments upon the proposed draft amendments to the scheme of officer delegations under part 3.5 of the Council's Constitution be noted;
- (2) That the steps and timetable for the amendment of the current scheme of officer delegations, as set out in Paragraph 3.8 of the report now submitted, be noted.

583/09

Private Session

Exclusion of Public

Resolved

That, during consideration of the remaining items on the agenda, the Committee considered 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 Items considered in Private Session

584/09

Internal Activity for the nine months ending 31st December, 2008

The Committee considered a report of the Executive Director (Resources) regarding this matter and noted the contents of the report and Appendix.

(Exempt information under Paragraphs 1, 2 and 7 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

585/09 **Internal Audit Workplan 2009/10**

The Committee considered a report of the Executive Director (Resources) regarding this matter and formally endorsed the internal workplan for 2009/10 and noted the contents of the internal audit charter.

(Exempt information under Paragraphs 1, 2 and 7 of Part I of Schedule 12A of the Local Government Act, 1972) (as amended)

586/09 **Risk Management Update 2008/09**

The Committee considered a report of the Executive Director (Resources) regarding this matter and noted the current corporate risk register (CRR) contained in Appendix 1 to the report and selected risks 26 and 27 for review; noted the action taken to progress the corporate risk management action plan (CRMAP) contained in Appendix 2 to the report and noted the update on action taken since the last report.

(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 7.35 p.m.

Chairman:

Date: