

AUDIT COMMITTEE

Tuesday, 13th January, 2009 at 6.00 p.m.

Conference Room at the Council House, Walsall

Present

Councillor Turner (Chairman)
Councillor Martin (Vice-Chairman)
Councillor Aftab
Councillor Chambers
Councillor Robertson
Councillor Rochelle
Councillor D. Shires

562/09

Apology

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

563/09

Welcome to new Member

Councillor Turner extended a welcome to Councillor Aftab as a new Member of the Audit Committee.

564/09

Minutes

Councillor Turner referred to page 3 of the minutes and to part (3) of the resolution regarding the risk management report which related to the setting up of a Task Group to develop the risk management action plans and review the risk register for completeness. He indicated that a meeting of the Task Group would be held before the next meeting of this Committee.

Resolved

That the minutes of the meeting held on 1st December, 2008, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record.

565/09

Declarations of Interest

There were no declarations of interest.

566/09 **Deputations and Petitions**

No deputations were received or petitions submitted.

567/09 **Local Government (Access to Information) Act, 1985 (as amended)**

There were no items to be considered in the private session.

568/09 **Presentation - Risks 31 and 32**

The Head of Neighbourhood Partnerships and Programmes made a presentation with the aid of a handout regarding Risk No. 31 - Failure to comply with EU grant regulations and repayments required and Risk No. 32 - Ineffective arrangements for neighbourhood/community engagement.

With regard to Risk No. 31, she explained that there were two types of funding, European Regional Development Fund and European Social Fund. The Council had received £10.3 million from the former and £7.8 million from the latter. She added that ERDF had geographic restrictions as to where the funding could be spent. There were no such restrictions for ESF monies. She explained what the funding could be used for and how it was targeted and the control mechanisms that were in place to ensure funding was used correctly.

With reference to Risk No. 32, she stated that the effectiveness of LNPs was assessed by Government Office West Midlands, the Walsall Partnership and Local Neighbourhood Partnerships themselves in respect of their Development Plans. She added that a continuous improvement approach was used.

In response to questions from Members, Julie Gethin stated that the Partnership Team offered support to organisations to ensure claim forms were completed correctly.

Resolved

That the presentation be noted.

569/09 **Submission of Corporate Risks for Scrutiny**

A report was submitted:-

(see annexed)

Resolved

That the report be noted.

570/09

Updated Corporate Risk Management Strategy (CRMS)

A report was submitted:-

(see annexed)

The Corporate Risk and Insurance Manager (Ann Johnson) reported that this was the fifth version of the risk strategy arising from a number of changes during 2008/09.

Councillor Chambers asked whether the document reflected the credit crunch. Ann replied that the risk assessments covered this and were updated regularly. She added that it had been picked up by CMT in June, 2008 and was identified as a risk on the Corporate Risk Register. It was considered that as this was identified at an early stage the impact on the organisation has possibly been reduced.

The Head of Corporate Finance (Vicky Buckley) reported that the economic and financial risks were linked and the budget was assessed on a monthly basis. Quarterly service plans would also pick up on this problem.

Councillor Mrs. Shires referred to the additional use of salt/grit during the recent cold snap and asked if this had been programmed for. Ann replied that this should be picked up in the winter maintenance programme.

After further discussion it was,

Resolved

That this Committee:-

- (1) Notes the contents of the report;
- (2) Endorses the revised draft corporate risk management strategy;
- (3) Refers the Corporate Risk Management Strategy to Cabinet for consideration and endorsement.

571/09

Partnership Governance

A report was submitted:-

(see annexed)

The Corporate Risk and Insurance Manager (Ann Johnson) reported that concern over partnership governance had been identified two years ago. CMT had considered the matter in January, 2008 and had authorised the formation of a Task Group to deal with the issue. This group had been chaired by the Executive Director for Social Care and Inclusion. From January, 2009, partnerships would not be entered into until the protocols and procedures set out in the report had been followed. She drew attention to the register of partnerships attached at Appendix 1 to the report and stated that organisations like Serco or Housing 21 were not included as they were covered by formal contracts. She continued that Assistant Directors would be responsible for developing the register from now on. All errors would be corrected and the document reviewed on a quarterly basis. She added that the report had been considered by CMT which had referred this to Committee for endorsement.

Councillor Turner stated that he was keen to ensure that partnership governance was maintained and improved.

Councillor Robertson referred to “pooled budgets” and asked if the information would be considered retrospectively. Ann Johnson replied that it would.

Councillor Turner asked who would be responsible for dealing with overspends arising from pooled budgets. The Head of Corporate Finance reported that the Council would enter into service level agreements to control this.

Councillor Rochelle referred to the importance of ensuring that exit strategies were agreed well before partnerships were terminated.

In response to further questions, the Corporate Risk and Insurance Manager stated that the partnership document would continue to change and evolve with the Local Authority.

Resolved

That the Committee:-

- (1) Notes the contents of the report;
- (2) Endorses the partnership protocol and toolkit for use across all Council services as contained in Appendix 1 to the report now submitted;
- (3) Notes the attached partnerships register attached as Appendix 2 to the report now submitted;
- (4) Agrees to review the governance arrangements for significant partnerships at future meetings;

(5) Refers the document to Scrutiny for information and comment.

572/09 **Audit Committee Work Programme**

There was nothing to report on this matter.

573/09 **Review and Appraisal of Officers' statutory responsibilities/ delegations**

Resolved

That this matter stand deferred to the next meeting of the Committee.

Termination of meeting

There being no further business, the meeting terminated at 7.35 p.m.

Chairman:

Date: