

## **AUDIT COMMITTEE**

**Tuesday, 13<sup>th</sup> April, 2010 at 6.00 p.m.**

**Conference Room at the Council House, Walsall**

### **Present**

Councillor Martin (Chairman)  
Councillor Rochelle (Vice-Chairman)  
Councillor Ault  
Councillor Sears  
Councillor D. Shires

699/10

### **Apologies**

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

An apology was also received from Councillor Towe (Portfolio Holder).

700/10

### **Minutes**

The minutes of the meetings held on 1<sup>st</sup> March, 2010 and 24<sup>th</sup> March, 2010 were submitted:-

(see annexed)

In respect of the minutes of 1<sup>st</sup> March, 2010 - 687/10: Slippage on Projects and New Deal succession strategy and 689/10 - Exit strategy for PCSOs, the Head of Finance, Vicky Buckley said that she would confirm the position to Members of the Audit Committee by e-mail.

### **Resolved**

- (1) That the minutes of the meetings held on 1<sup>st</sup> March, 2010 and 24<sup>th</sup> March, 2010, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as correct records;

701/10

### **Declarations of Interest**

There were no declarations of interest.

702/10      **Deputations and Petitions**

There were no deputations submitted or petitions received.

703/10      **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.

**Non-Executive Functions**

704/10      **Conversion to International Financial Reporting Standards**

A report was submitted:-

(see annexed)

The Service Accounting and Financial Reporting Manager, Dan Mortiboys gave a presentation which provided an overview of the IFRS. He referred to the report which explained what the introduction of IFRS would mean for Audit Committee.

Mr. Mortiboys responded to questions and points of clarification, during which time, he confirmed that the requirements would also mean reporting on evaluation of all employees annual leave as at 31<sup>st</sup> March. No extra staff would be needed to comply with the requirements. He also confirmed that further briefings were being arranged for the Committee later in the year.

**Resolved**

That the contents of the report and the measures being taken to ensure the Council meets its obligations be noted.

705/10      **Business continuity**

The Resilience Manager, Alan Boyd, attended and explained the Council's approach to Business Continuity Planning in Walsall. He explained the background to the activity, the methodology used, mode of consultation and implementation, project development and completion; and current and future work. Mr. Boyd also circulated the internal audit report for this area and briefly highlighted key points.

The Chairman congratulated Mr. Boyd on the good audit report and thanked his team for their hard work.

706/10      **Changes to the current Scheme of Delegations to Officers**

A report was submitted:-

(see annexed)

The Head of Legal Services, Tony Cox, presented a report which set out amendments to officer delegations which were to be considered by Council at its meeting on to be held on 24<sup>th</sup> May, 2010.

Mr. Cox responded to points of clarification from Members, following which it was,

**Resolved**

That the report be circulated to Group Leaders and independent members for information.

707/10      **External Audit Approach Memorandum - Final Accounts 2009/10**

A report was submitted:-

(see annexed)

The following persons attended to present the report:-

Kyla Bellinghall, Audit Manager, Grant Thornton  
Nicola Coombe, Grant Thornton

Ms. Bellinghall explained the purpose of the report. She highlighted key elements of the audit work to be undertaken on the 2009/10 statement and the arrangements the Council had in place to manage the key issues. Members noted that the risks documented were risks to the Grant Thornton audit opinion and not a statement that the Council was not managing its risks.

Ms. Bellinghall specifically referred to key matters identified in the Grant Thornton risk assessment and particularly in relation to: the IFRS on private finance initiatives and public and private partnership schemes, as it may mean that the assets would have to show on the Council's balance sheets; the Birmingham Airport and its reporting at costs rather than valuation this would need reviewing each year; and consideration of potential ERDF clawback from third party organisations.

With regard to Use of Resources, Members noted that Grant Thornton would be reporting to Audit Committee in due course.

Councillor Rochelle commented that the Committee had already considered looking at risks associated with the economic climate and single status which has shown Audit Committee to be on track.

Ms. Bellinghall and Miss Coombe responded to questions and points of clarification, during which time, it was noted that a report was being worked on in respect of Employment Tax for submission in September time. A report from Grant Thornton on School Balances and Audit Committee effectiveness be received in June.

**Resolved**

That the Grant Thornton audit approach memorandum (AAM) and the measures being taken to ensure the Council meets its obligations be noted.

708/10

**Private Session**

**Exclusion of Public**

**Resolved**

That, during consideration of the remaining item on the agenda, the Committee considers that the item for consideration is 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 that item in private session.

**Summary of item considered in private session**

**Risk Management - Update 2009/10 - Quarter 3 Review**

The Committee made appropriate recommendations on the Corporate Risk Register and Audit Committee action plan for review.