

AUDIT COMMITTEE

Monday, 4 September, 2006 at 6.00 p.m.

Conference Room at the Council House, Walsall

Present

Councillor David Turner (Chairman)
Councillor Rose Martin (Vice-Chairman)
Councillor Keith Chambers
Councillor Albert Griffiths
Councillor Desmond Pitt
Councillor Ian Robertson

303/06 **Apology**

An apology for non-attendance at the meeting was submitted on behalf of Councillor Mrs. Shires.

304/06 **Minutes**

Resolved

That the minutes of the meetings held on 29th June and 25th July (Special) 2006, copies having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as correct records.

305/06 **Declarations of Interest**

There were no declarations of interest.

306/06 **Deputations and Petitions**

No deputations were received or petitions submitted.

307/06 **Late Items to be introduced by the Chairman**

There were no late items to be introduced by the Chairman.

308/06 **Local Government (Access to Information) Act, 1985 (as amended)**

Resolved

That the public be excluded from the meeting during consideration of any item set out in the private part of the agenda for the reasons set out therein and by reason of Section 100A of the Local Government Act, 1972.

Non-Executive Functions

309/06 **The Roles and Responsibilities of the Audit Committee**

The report of the Executive Director was submitted:

(see annexed)

Charles Barber (Internal Audit) enlarged upon the report and drew attention to the work programme for the Committee contained in the Appendix to the report.

Members asked whether the co-opted non-voting member post was still vacant. It was reported that an advertisement had been placed in a local newspaper on three occasions, but without success. Members suggested that an advertisement should be placed in Walsall Pride and that the Chamber of Commerce should be approached to see if they could provide names of suitable candidates. A higher profile advert was also considered to maximise the pool of applicants.

Resolved

- (1) That the contents of the report and the work plan as set out in the appendix be noted;
- (2) That an advertisement for the co-opted non-voting member on the Committee also be placed in Walsall Pride, alongside other publications, and the Chamber of Commerce be approached to see if they could provide names of suitable candidates.

310/06 **Neighbourhood Renewal Fund (NRF)**

The report of the Executive Director was submitted:

(see annexed)

Members received the full Internal Audit Reports issued by Internal Audit in respect of Neighbourhood Renewal Fund for consideration at the meeting on 16 October 2006. Members were asked to bring the papers with them to that meeting.

311/06 **Internal Audit: Activity for the year ending 31 March 2006**

The report of the Executive Director was submitted:

(see annexed)

Charles Barber advised that the report outlined the work of the Internal Audit Service and its role within the Local Authority. He drew attention to the key performance indicators on page 2 of the report and indicated that all but one had been achieved. The only indicator not met was that relating to recommendations confirmed as actually implemented at the next audit visit which actually reflected performance of service managers rather than Internal Audit itself. However, a new system had now been put in place which should help ensure that managers implement recommendations fully. Should they not do so, then they may be called before the Audit Committee to provide an explanation as to why the recommendations have not been implemented.

Following a number of questions by Members, it was:

Resolved

That the Committee:

- (1) notes that in 2005/06 Internal Audit has delivered on all of its performance targets maintaining a high level of overall performance for the year;
- (2) That the following audit reports be selected for detailed scrutiny:
 - Social care and supported housing – bank accounts, rehabilitation services (Rushall Mews);
 - Revenue contract – BT Global

312/06 **Annual Audit Letter – Progress Report**

The report of the Executive Director was submitted:

(see annexed)

James Walsh enlarged upon the report and stated that a significant improvement was expected from the third quarter onwards with regard to revenues and benefits performance. Referring to Sure Start, James acknowledged that there were still problems due to the delay on the part of Education Walsall in submitting grant claims. He indicated that assistance had been offered to Education Walsall in respect of European Regional Development Funding and accepted. It had also been offered in respect of Sure Start, but Education Walsall had declined the offer. He added that two revenue and four capital schemes were still outstanding. Pressure was being maintained on Education Walsall to comply with the Scheme but with little success. The Executive Director advised that she would be writing to the Managing Director on the matter.

Councillor Turner suggested that Education Walsall should be invited to attend the Audit Committee to explain why grant claims were not being submitted on time. Following a number of questions from Members, it was:

Resolved

- (1) That the Committee notes the progress to date against the actions identified in the Annual Audit Letter 2005 and agrees to receive further progress updates throughout the Audit year;
- (2) That Education Walsall be invited to attend a future meeting of the Audit Committee.

313/06 **Audit Progress Report**

The report of the Audit Commission was submitted:

(see annexed)

Resolved

That the report be noted.

314/06 **Audit and Inspection Plan**

The report of the Audit Commission was submitted:

(see annexed)

Brian Warwick (Audit Commission) enlarged upon the report and drew attention to page 5 regarding fees. He indicated that the fee estimate for Audit and Inspection work planned for 2006/07 was £286,270, a reduction from the previous year's £363,500 reflecting the Council's `three star` CPA status and improved governance.

Resolved

That the report be noted.

315/06 **Preparation for the full implementation of the Children's Act 2004**

The report of the Audit Commission was submitted:

(see annexed)

Resolved

That the report be noted.

316/06 **Domiciliary Care Contracts**

The report of the Audit Commission was submitted:

(see annexed)

Brian Warwick enlarged upon the report and drew attention to paragraph 5 where the Commission had concluded that there was no need for the Auditor to issue a report in the public interest under Section 8 of the Audit Commission Act 1998 or to take formal audit action under Section 17 of the Act. He added that contract tendering had been carried out properly.

Councillor Robertson commented that staff had been unnerved by the speed of implementation of the new system and were concerned that it had caused unnecessary anxiety for clients.

Resolved

That the report be noted.

317/06 **Management of Data Quality**

The report of the Audit Commission was submitted:

(see annexed)

Brian Warwick reported that Walsall had been used to pilot the new methodology to identify areas where data quality needed improvement. This had helped the Council to move forward speedily in the provision of good quality data.

Ann Johnson advised that Walsall had provided assistance to fifteen other Local Authorities in improving their data quality.

Resolved

That the report be noted.

318/06 **Strategic Housing Services**

The report of the Audit Commission was submitted:

(see annexed)

Brian Warwick drew attention to the main conclusions referred to in the report and indicated that the Council had moved a long way in a relatively short time. His one concern was that the Local Authority could not yet demonstrate that it delivered value for money in its Strategic Housing Services.

Councillor Robertson expressed concern that not enough starter homes were being provided.

It was suggested that this concern should be referred to Scrutiny Committee for consideration.

Resolved

That the report be noted.

319/06 **Sure Start Follow Up**

The report of the Audit Commission was submitted:

(see annexed)

Resolved

That the report be noted.

320/06 **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, and accordingly resolves to consider those items in private session.

321/06 **Internal Audit: Activity for the year ending 31 March 2006**

The report of the Executive Director was submitted:

(see annexed)

Resolved

That the Committee notes the contents of the report and appendix.

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

322/06 **Risk Management Update 2006/07**

The report of the Executive Director was submitted:

(see annexed)

Ann Johnson reported that all projects had to be risk assessed and project champions had been appointed to undertake this.

Resolved

That the Committee:

- (1) notes the current strategic risk register and selects the following risks from the register for review at a future meeting:
 - No. 5: Failure to form successful partnerships, particularly with the Local Strategic Partnership
 - No. 18: Capital projects not delivered on time and to budget compromising improvement and investment agendas
- (2) notes the actions undertaken in progressing the Corporate Risk Management Action Plan.

(Exempt information under paragraph 4 of Part 1 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.

Chairman:

Date: