

M I N U T E S

meeting: **AUDIT COMMITTEE**

date: **20 DECEMBER 2010**

PRESENT:-

Councillor Inston (Chair)
Councillors Mrs Findlay, Mrs Keirle, Mrs Samuels,
P Singh, Turner (part) and Wilson

Councillor Mrs Thompson – Shadow Cabinet Member for Resources,
Governance and Support Services (Observer)

APOLOGIES FOR ABSENCE:-

Apologies for absence were received from Councillor Jones and James
Howse (External Auditor)

OFFICERS IN ATTENDANCE:-

B Bailey	-	Director of Pensions (Part)
P Main	-	Chief Financial Officer
S Kembrey	-	Chief Legal Officer
S Brotherton	-	Adults and Community
B Burgess	-	Customer and Shared Services
V Griffin	-	Adults and Community
D Johnston	-	Customer and Shared Services
S Lunn	-	Customer and Shared Services
R Morgan	-	Customer and Shared Services
A Sharma	-	Customer and Shared Services
D Sheldon	-	Customer and Shared Services
M Fox	-	Democratic Support, OCE

PRESENT BY INVITATION:-

R Bacon	-	PricewaterhouseCoopers (External Auditors)
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Wolverhampton
City Council



PART 1 – OPEN ITEMS
(Open to Press and Public)

Declarations of Interest

57 No interests were raised.

Vote of Thanks

58 The Chair expressed appreciation to Councillor Mrs Keirle for her able and courteous conduct in chairing meetings of the Audit Committee over the last 2 ½ years.

Minutes

59 Resolved:-

(a) That the minutes of the meeting of the Audit Committee held on 15 November 2010 be approved as a correct record.

(b) That the minutes of the meeting of the Audit (Final Accounts Monitoring and Review) Sub-Committee held on 29 November 2010 be noted.

Office of the Chief Executive – Risk Management and Governance (Resolution 53)

Members asked whether progress had occurred with their request for sections of the risk register relating to OCE and Scrutiny/Democratic Support to be re-written/re-worded. It was noted that the item had been added to the Schedule of Outstanding Minutes.

60 Resolved:-

That the request for sections of the Risk Register relating to OCE and Scrutiny/Democratic Support to be re-written/re-worded and submitted to the Audit Committee be re-iterated.

Feedback from Sub-Committees

61 No issues were raised by the Chairs of the Sub-Committees.

Schedule of Outstanding Minutes (Appendix 1/29)

A report was submitted which gave an indication of dates on which reports on individual items would be submitted for consideration. The Chief Legal Officer circulated information about the employment of illegal immigrants by the Council in response to a previous request. Councillor Mrs Keirle expressed concern about an outstanding minute seeking progress on an implementation date for a corporate policy regarding attendance management.

62 Resolved:-

(a) That the schedule be received.

(b) That concern be expressed about the need for an implementation date regarding a corporate policy regarding attendance management and that the Director for Customer and Shared Services be requested to submit a progress report on this issue as soon as possible.

Audit Committee Work Programme 2010/11 (Appendix 1/30)

The updated Work Programme had been circulated for information. A discussion took place regarding the risks relating to the Summer Row project and it was suggested that the service risk report for Regeneration and Environment be submitted to the next meeting in January rather than in February 2011

63

Resolved:-

That the updated Work Programme be approved, subject to:-

(a) the service risks report from Regeneration and Environment being submitted to the meeting on 24 January rather than on 28 February and that it should include reference to the risks relating to the Summer Row project; and

(b) the service risks report from Customer and Shared Services being submitted on 28 February 2011.

ASSURANCE ON SERVICE RISKS

Assurance Report – West Midlands Pension Fund (Appendix 1/31)

An assurance report in support of the West Midlands Pension Fund was submitted. Councillor Mrs Keirle suggested that, ideally, this report should have been submitted prior to the Audit Committee considering key matters arising in the Annual Governance Statement which is reported along with the Statement of Accounts in June each year. The Director of Pensions confirmed that this process could be adopted in future years.

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Resolved:-

That the report be noted, subject to future reports being submitted prior to the Audit Committee considering key matters arising in the Annual Governance Statement which is reported with the Statement of Accounts in June each year.

External Audit – Draft Audit Letter 2009/2010 and Draft Audit Plan 2011/2012 (Appendix 1/32)

The Draft Audit Letter 2009/10 and Draft Audit Plan 2011/12 from the Council's external auditors were submitted for information. Commenting on the audit letter, Councillor Mrs Keirle asked whether the recommendations from the COT3 Payments report would be provided for all Council Members and the Chief Legal Officer offered to arrange a Members' briefing on the matter if considered appropriate.

Members requested that up to 3 potential dates be offered if the suggestion of the briefing was progressed. Councillor Mrs Keirle also noted that the Constitution Review Group was working on revisions to the Constitution and asked whether the request for the Chair of the Audit Committee to be allowed to add items to the agenda could be considered urgently. The Chief Legal Officer undertook to pursue this matter.

Reference was also made to the review following the proposed partnership with Axon Solutions Ltd and the Chief Legal Officer indicated that she would be briefing Chief Officers about the results of the first part of the review and she would ask the Chief Executive to arrange an early briefing for Members on the matter.

In terms of the Audit Plan, Councillor Mrs Keirle asked about the reporting arrangements for Internal Audit under the new structure of the Council and the Chief Legal Officer undertook to clarify the situation through the Chief Executive.

65 Resolved:-

(a) That the report be noted.

(b) That the Chief Legal Officer provide all Council Members with the recommendations from the COT3 Payments report and to offer to arrange a briefing for Members if requested to do so, suggesting three potential dates on which the briefing might take place to help ensure that as many Members as possible are able to attend.

(c) That it be noted that the Constitution Review Group is currently working on revisions to the Constitution and that it be suggested that the recommendation to allow the Chair of Audit Committee to add items to the agenda be considered as a priority.

(d) That the Chief Legal Officer be requested to contact the Chief Executive to request an early briefing for Members about the results of the first part of the review following the proposed partnership with Axon Solutions Ltd.

(e) That the Chief Executive be requested to clarify the reporting arrangements for Internal Audit under the organisational re-structure of the Council.

Overview of the Visa P-Card Scheme (Appendix 1/33)

A report was submitted about the purchasing card system, in response to a request at the previous meeting. Officers responded to a number of questions raised by Members, who were informed that the usage of p-cards within the Council was low compared with many other local authorities. The need for the use of "cash back" was explained and it was noted that the system was well monitored and that there was no evidence of irregularities within the system. Officers then detailed the breakdown of spending by Service Groups to date during 2010/11 as shown below:-

Adults and Community	229,609.64
Regeneration and Environment	57,710.63
Office of the Chief Executive	13,577.42
Customer and Shared Services	219,570.80
Children and Young People	290,048.78
Total	810,517.27

- 66 Resolved:-
That the report be noted.

Exclusion of Press and Public

- 67 Resolved:-
That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from consideration of the items of business in Part II of the agenda on the grounds that, in view of the nature of the business to be transacted or the nature of the proceedings, exempt information falling within paragraphs 1, 2 and 3 of Schedule 12A of the Act is likely to be disclosed.

PART II - EXEMPT ITEMS
(Press and Public Excluded)

ASSURANCE ON CORPORATE RISKS

Corporate Risks Update(Appendix 1/34)

A report was submitted which detailed the outcome of the review of corporate risks. Members including Councillor Wilson raised a number of questions about the risks set out in Appendix 2 of the report and it was suggested that Members would require briefings on a number of these issues. The Chief Financial Officer responded that the feedback from Members at today's meeting would be useful and that further detail would be included in future reports.

- 68 Resolved:-
That the report be noted, subject to the need for further updates to be submitted about a number of the risks set out in Appendix 2 of the report.

INTERNAL AUDIT REPORTS

Audit Work Update (Appendix 1/35)

The report provided an update on current audit work and also brought to the attention of Members any matters where further action may be required. During consideration of the report, it was noted that the Chief Executive had instigated a review of contracting arrangements and the work would include a review of all contracts and would concentrate particularly on compliance with contract procedure rules.

- 69 Resolved:-
That the update on current work being carried out within internal audit be noted.

Seasonal Greetings

- 70 The Chair extended seasonal greetings to all those in attendance at the meeting.