

# MINUTES

meeting: **AUDIT COMMITTEE**

date: **11 APRIL 2011**

## **PRESENT:-**

Councillor Inston (Chair)  
Councillors Jones, Mrs Keirle, Mrs Samuels, P Singh and Mrs Thompson

## **APOLOGIES FOR ABSENCE:-**

Apologies for absence were submitted on behalf of Councillors Turner and Wilson and Jo Lancaster (Assistant Chief Executive).

## **OFFICERS IN ATTENDANCE:-**

### Delivery

P Main - Assistant Director – Corporate Services  
M Webb - Governance  
D Johnston - Head of Risk Management and Insurance  
B Willis (part) - City Services  
M Fox - Democratic Support

### Community

S Norman (part) - Strategic Director  
A Ivko - Assistant Director – Adult Social Care and Housing Support

### Education and Enterprise

N Edwards (part) - Assistant Director – Prosperity

### Internal Audit

B Burgess - Head of Audit Services  
R Morgan - Audit Services

## **PRESENT BY INVITATION:-**

C Dickens/ - PricewaterhouseCoopers  
J Howse - (External Auditors)

**Wolverhampton**  
City Council



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

**Declarations of Interest**

- 91 The Chair and Councillor Mrs Thompson declared a personal interest in agenda item 11 (Response to Judicial Review of Victoria Halls Planning Application) as Members of Planning Committee.

**Minutes**

- 92 Resolved:-
- (a) That the minutes of the meeting of the Audit Committee held on 28 February 2011 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 21 February 2011 be noted.
  - (c) That the minutes of the meeting of the Audit (Examination of Paid Accounts/Monitoring of Audit Investigations) Sub-Committee held on 21 March 2011 be noted.

**Axon Review (Resolution 85f)**

- 93 Councillor Mrs Keirle expressed concern that the terms of reference for the Axon Review may have changed since they had been approved by full Council. Officers undertook to pursue the matter with the Assistant Director – Governance.

**COT3 Payments Report (Resolution 85e)**

- 94 In response to a question from Councillor Mrs Thompson, it was noted that arrangements were in hand to hold a Members' Seminar on the recommendations from the COT3 Payments Report which relate specifically to Members.

**Statutory Services Delivered by the Authority (Minute 22 – Final Accounts Sub-Committee)**

- 95 Councillor Mrs Thompson expressed concern that Members had not yet received a list of statutory services which the Local Authority is obliged to deliver. The Chair suggested that the Chair of the Sub-Committee, Councillor Mrs Samuels, pursue the matter personally with the Assistant Chief Executive.

**Risk Management Reports Relating to Adults and Community/Children and Young People 2010/11**

Sarah Norman, Strategic Director – Community, attended the meeting at the request of the Chair, to discuss the arrangements for the reporting of the risk assessments for 2010/11 in relation to Adults

and Community/Children and Young People, which had originally been scheduled for submission at this meeting. It was noted that this had been affected by the re-structure of Council services and particularly with the movement of some of the services relating to children and young people into the Community Directorate. Members nevertheless agreed that it would be appropriate to receive the reports for 2010/11 because the new structure arrangements did not come into operation until the 2011/12 financial year. The Assistant Director – Corporate Services referred to the proposed schedule of dates of meetings and training sessions for Audit Committee Members and the arrangements for the reporting of risks in the new Municipal Year, suggesting that the outstanding risk reports for 2010/11 could be scheduled for an early meeting in the new Municipal Year. This would still meet the reporting deadline for the Annual Governance Statement. In discussion it was agreed that these be submitted at a special meeting of the Committee early in June 2011.

96

Resolved:-

That a special meeting of the Audit Committee be arranged to take place early in June 2011 to consider the risk assessments for 2010/11 in relation to Adults and Community/ Children and Young People.

(NOTE: This meeting was subsequently arranged to take place on Monday 6 June 2011).

### **Feedback from Sub-Committees**

97

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

### **Schedule of Outstanding Minutes (Appendix 1/45)**

A report was submitted which gave an indication of dates on which reports on individual items would be submitted for consideration. The Assistant Director – Prosperity also updated Members about the risks arising from the Raglan Street development.

98

Resolved:-

(a) That the schedule be received.

(b) That it be noted that the Assistant Director – Promotions and Partnerships had been asked to circulate a briefing note about the work of the Local Strategic Partnership.

(c) That it be noted that the outstanding issues relating to Children and Young People would be considered at the special meeting of the Audit Committee in June 2011.

(d) That continuing concern be expressed about the revised reporting arrangements for Internal Audit following the re-structure of Council services, a matter which the Chair would pursue personally with the Assistant Chief Executive.

(e) That it be noted that a briefing note had been circulated about the arrangements for managing and monitoring PCT mobile phone charges.

(f) That the update from the Assistant Director – Prosperity about the Raglan Street development be noted.

**Audit Committee Work Programme 2010/11 (Appendix 1/46)**

The updated work programme had been circulated for information.

99

Resolved:-

That the updated work programme be approved.

**Internal Audit Effectiveness Review (Appendix 1/47)**

This report presented the findings from the review of Internal Audit by the Council's External Auditors and proposals to take forward the recommendations, to include the provision of quarterly updates to Audit Committee on progress made. Councillor Jones considered that there was insufficient time to make any changes in response to the report prior to the forthcoming year but that the opportunity should be taken to fully consider the implications of the report over coming months. Members were in agreement that many of the recommended changes would require detailed consideration over a period of time and the Assistant Director – Corporate Services suggested that the Committee consider the recommendations over the next few months by building the relevant issues into the Work programme.

100

Resolved:-

(a) That the report by the External Auditors and the fact that quarterly updates on progress towards implementation of the recommendations in the report would be presented to the Committee be noted.

(b) That it be agreed to consider receiving a report to a future meeting to discuss the future of the Committee in view of the implications of the Localism Bill and the abolition of the Audit Commission.

**Review of Audit Committee Terms of Reference (Appendix 1/48)**

This report asked the Committee to review the current terms of reference to determine their continued suitability in respect of the role of the Committee and its Sub-Committees.

101

Resolved:-

That consideration of this item be deferred to a later meeting in view of the related implications of the previous agenda item (Internal Audit Effectiveness Review).

**Exclusion of Press and Public**

102

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, 3 and 5 of Schedule 12A of the Act is likely to be disclosed.

**PART II - EXEMPT ITEMS**  
**(Press and Public Excluded)**

**Response to the Judicial Review of the Victoria Halls Planning Approval (Appendix 1/49)**

The Assistant Director – Prosperity submitted a report which provided a summary of management and operational responses to policies and procedures within Development Control in light of the judicial review proceedings in respect of the granting of planning permission for the Victoria Halls student accommodation. In response to a question from Councillor Mrs Thompson, he provided more information about the revised procedures for the consideration of planning applications and to ensure particularly that legal implications of reports were considered prior to decisions being made. Councillor Mrs Thompson also referred to a recent incident whereby members of the public were invited to attend a site visit organised by the Planning Committee as a trial initiative, but without prior Member approval and she asked for this to be investigated.

103

Resolved:-

(a) That the report be noted.

(b) That the Assistant Director – Prosperity be asked to pursue the issue of members of the public being invited to attend a recent site visit organised by the Planning Committee as a trial initiative, but without prior Member approval, and to write to Members with the outcome.

**ASSURANCE ON CORPORATE RISKS**

**Corporate Risks Update (Appendix 1/50)**

A report was submitted which detailed the outcome of the review of corporate risks. Councillor Mrs Keirle expressed concern about the lack of information about risk management arrangements for the Council's senior management re-structure and the Head of Risk Management and Insurance responded that some of this work had been carried out in the Office of the Chief Executive.

104

Resolved:-

(a) That the report be noted.

(b) That concern be expressed about the lack of information about risk management arrangements in relation to the senior management re-structure of the Council and that the Assistant Chief Executive be requested to attend the next meeting to report on this issue.

### **INTERNAL AUDIT REPORTS**

#### **Audit Work Update (Appendix 1/51)**

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. A discussion took place about the proportion of unsatisfactory audits compared with previous years. Questions were also raised about the On-Street Car Parking and Partnership Pension Guarantee audits.

105

Resolved:-

(a) That the report be noted

(b) That it be noted that the proportion of unsatisfactory audits has increased in the year ending 6 March 2011 compared with the previous period.

(c) That it be noted that the Head of Operational Finance would be asked to send a briefing note to Members about income collection and monitoring arrangements in relation to on-street parking.

(d) That it be noted that the Assistant Director – Corporate Services would circulate a briefing note to Members detailing the names of organisations and the nature of associated guarantees, following the audit in connection with partnership pension guarantees.