

MINUTES

meeting: **AUDIT COMMITTEE**

date: **30 JANUARY 2012**

PRESENT:-

Councillor Inston (Chair);
Councillors Claymore, Dr Hardacre, Mrs Keirle, Leach, Mrs Mills,
and Mrs Thompson

OFFICERS IN ATTENDANCE:-

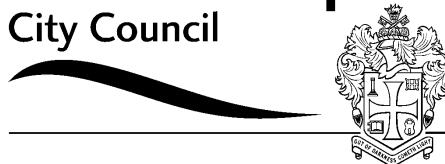
Delivery

P Farrow - Head of Audit
D Johnston - Head of Risk Management and Insurance
S Kembrey - Assistant Director - Governance
R Morgan - Senior Audit Manager
M Fox - Democratic Support Officer

PRESENT BY INVITATION:-

R Bacon - PricewaterhouseCoopers – External Auditors
J Howse - PricewaterhouseCoopers – External Auditors

Wolverhampton
City Council



PART I - OPEN ITEMS
(Open to Press and Public)

Apologies for Absence

- 68 Apologies for absence had been received from Councillor Simkins, the Interim Strategic Director – Delivery and the Assistant Director – Corporate Services.

Declarations of Interest

- 69 No declarations were received.

Minutes

- 70 Resolved:-
 (a) That the minutes of the meeting of the Audit Committee held on 19 December 2011 be confirmed as a correct record.

 (b) That the minutes of the meeting of the Audit (Examination of Paid Accounts/Monitoring of Audit Investigations) Sub-Committee held on 12 December 2011 be noted.

Audit (Final Accounts Monitoring and Review) Sub-Committee – Additonal Meetings – Resolution 60b

- 71 It was noted that, in consultation with Members, additional meetings of the Sub-Committee had been arranged to take place at 1400 hours on Monday 2 April and Monday 14 May 2012.

(NOTE: The meeting on 14 May was subsequently re-scheduled to take place on 30 April).

Schedule of Outstanding Minutes (Appendix 41)

The Committee received a report which gave an indication of dates on which reports on individual items would be submitted for consideration.

- 72 Resolved:-
 (a) That the report be received.

 (b) That a further copy of information about costs of operating the meals on wheels service be circulated to Councillor Keirle.

Work Programme 2011/12 (Appendix 42)

The updated work programme had been circulated for information.

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Resolved:-

That the work programme be received.

EXTERNAL AUDIT REPORTS AND INSPECTION:-

External Audit Plan 2011/12 (Appendix 43)

James Howse and Richard Bacon (External Auditors) presented the Annual Audit Plan 2011/2012 on behalf of PricewaterhouseCoopers and answered a number of questions raised by Members. Councillor Keirle noted the estimated fees payable regarding the Axon Review and a suggestion made at another meeting that the full recommendations from the Review should be considered by full Council. Councillor Mrs Thompson hoped that the External Auditor would be given all necessary information on the matter and that the Audit Committee would continue to review the situation.

Members also considered the issues surrounding fraud and the intention that fraud awareness sessions would be arranged for Members and Officers. Councillor Keirle felt that the Committee needed an assurance that the potential for fraud was being treated seriously and that all risks were being covered. Richard Bacon commented that the External Auditors were satisfied with the fraud policies operated by the Council and he detailed ways in which PwC used design tests to uncover any potential fraud issues.

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Resolved:-

That the Audit Plan 2011/12 from the Council's External Auditors be noted.

RISK MANAGEMENT/ASSURANCE ON SERVICE RISKS REPORTS:-

Delivery Directorate – Risk Management and Governance (Appendix 44)

The Chair suggested that this item be deferred in view of the absence of the Interim Strategic Director – Delivery.

- 75 Resolved:-
That the report detailing the risk management and governance issues for the Delivery Directorate be deferred for consideration at a future meeting.

INTERNAL AUDIT REPORTS :-

The Government Response to the Future of Local Audit Consultation (Appendix 45)

A report was submitted which detailed the response of the Government to the consultation process on the options for local audit work, following its decision to disband the Audit Commission. Members considered methods of appointing an external auditor as a result of the proposals. Councillor Keirle referred to an earlier suggestion to co-opt professionals annually to appoint an auditor. The Head of Audit responded that it was likely that the Strategic Executive Board would be considering the matter. Richard Bacon (PwC) commented that the current contract with PwC extended until 2016. Councillor Mrs Thompson regretted the fact that the Audit Commission was to be disbanded and she also commented on the importance of independent members being suitable for the task.

- 76 Resolved:-
That the report be noted.

Audit Plan 2011/12 – Outturn to 31 December 2011 and Audit Work Update (Appendix 46).

The report updated Members on progress against the Audit Plan for 2011/12 and provided information on recent work that had been completed. Members passed favourable comment on the satisfactory trend of audit opinions and the revised report format which had been introduced. Councillors Keire and Mrs Thompson expressed concern about the implementation of Single Status and it was noted that this would be the subject of a future report.

- 77 Resolved:-
That the report be noted.