

M I N U T E S

meeting: **AUDIT COMMITTEE**

date: **6 JULY 2012**

PRESENT:-

Councillor Inston (Chair);
Councillors Claymore, Dr Hardacre, Jones, Simkins
and Mrs Thompson

APOLOGIES FOR ABSENCE:-

Apologies for absence were submitted on behalf of Councillors Holdcroft
and Jasbir Jaspal

OFFICERS IN ATTENDANCE:-

Delivery

K Ireland	-	Interim Strategic Director
P Main	-	Assistant Director, Corporate Services
R Baldwin	-	Property Conveyancing and Contracts Manager - Governance
C Davies	-	Finance Manager – Corporate Services
P Farrow	-	Head of Audit
D Johnston	-	Head of Risk Management and Insurance
R Morgan	-	Senior Audit Manager
A Nixon	-	Corporate Services – Project/Performance Manager
M Taylor	-	Financial Controller – Corporate Services
M Fox	-	Democratic Support Officer

PRESENT BY INVITATION:-

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

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

Declarations of Interest

1 No declarations were declared.

Minutes

2 Resolved:-

(a) That the minutes of the meeting of the Audit Committee held on 16 April 2012 be confirmed as a correct record.

(b) That the minutes of the meeting of the Audit (Final Accounts Monitoring and Review) Sub-Committee held on 30 April 2012 be noted.

(c) That the minutes of the meeting of the Joint Audit/Standards Committees held on 14 June 2012 be approved and adopted, subject to the amendment of the last line of the preamble to resolution 4 to read:-

“Members stressed the importance of establishing a firmly embedded understanding of the roles of the Statutory Officers with regard to their statutory obligations and standards of their professional associations”.

Community Hubs (Res 96c)

Councillor Mrs Thompson raised questions about the budget savings within the scope of the proposed community hubs. The Assistant Director-Corporate Services indicated that supplementary evidence from the budget could be provided.

3 Resolved:-

That additional information to be provided for Councillors serving on the Committee regarding the budgets for each library and other services within the scope of the proposed community hubs, including the supporting information from the March 2012 Budget report.

BSI PFI Schemes (Res 97b)

Councillor Mrs Thompson requested detailed unit costs of each BSF PFI scheme.

- 4 Resolved:-
That a briefing note be provided for Members regarding each of the BSF PFI schemes and specifically how they are being funded, their value and how the costs are being met.

Human Resources Improvement Plan (Res 100)

- 5 Councillor Mrs Thompson asked for an update on the Human Resources Improvement Plan and it was noted that progress will be reported to a future meeting.

Dates of Meetings 2012/2013

- 6 Resolved:-
That it be noted that meetings will be held on the following dates commencing at 1400 hours and that meetings scheduled to take place in November 2012 and January 2013 be cancelled as shown in the Work Programme:-

24 September 2012
17 December 2012
11 March 2013
15 April 2013

Schedule of Outstanding Minutes (Appendix 1)

The Committee received a report which gave an indication of dates on which reports on individual items would be submitted for consideration. The Assistant Director – Corporate Services asked whether Councillors had a preferred date for the welfare benefits seminar.

- 7 Resolved:-
That the report be received and that a preferred date of 18 September 2012 be indicated for the proposed Councillors' Seminar on Welfare Benefits.

Work Programme 2011/12 (Appendix 2)

The updated work programme had been circulated for information.

8 Resolved:-

That the work programme be received.

INTERNAL AUDIT REPORTS:-

Annual Internal Audit Report 2011/12 (Appendix 3)

This report provided Councillors with an annual Audit Opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control processes. Referring to paragraph 2.2 of the report, Cllr Mrs Thompson asked what actions are being taken in response to the review by Patricia Hughes on the proposed strategic partnership with Axon Solutions Ltd. The Assistant Director-Corporate Services responded that actions are being taken to implement the recommendations and that progress is scheduled to be reviewed at a future meeting.

Cllr Mrs Thompson also asked about Partnership Governance Arrangements, whether these included Wolverhampton Homes and which partnerships are particularly significant to the Authority. The Assistant Director-Corporate Services responded that this did include Wolverhampton Homes and that further information about Partnership Governance Arrangements would be brought to a future meeting.

Cllr Mrs Thompson asked for more information about issues with which the information Commissioner had given only a limited assurance in terms of handling subject access requests. The Head of Risk Management and Insurance indicated that these issues had arisen from the Annual Governance Statement and that a work programme is being developed to deal with the issues raised.

9 Resolved:-

(a) That the report be noted.

(b) That further consideration be given at a future meeting to Partnership Governance arrangements.

(c) That it be noted that a work programme is being developed regarding the Council's handling of subject access requests, following a review by the Information Commissioner.

PWC Review of Effectiveness of Internal Audit – Progress Report (Appendix 4)

This report details the updated Action Plan following the review by the External Auditor of the effectiveness of the internal audit function and the role of the Audit Committee in late 2010.

10 Resolved:-

That the updated Action Plan be received and that it be noted that Internal Audit will meet with PwC to confirm that all recommendations have been addressed.

Annual Review of the Effectiveness of Internal Audit 2011/12 (Appendix 5)

The report asked the Committee to approve the annual review of the effectiveness of internal audit in order to discharge the Committee's responsibility under Regulation 6 of the Accounts and Audit Regulations 2011.

11 Resolved:-

That the Annual Review be approved.

Audit Committee Skills Audit (Appendix 6)

A report was submitted which asked the Councillors serving on the Committee to consider the completion of an Audit Committee Skills Audit Form in order that a training plan can be developed.

12 Resolved:-

That it be noted that Councillors will complete the skills audit form and return it to Audit Services

(NOTE: Copies of the form to be circulated to Cllrs Holdcroft and J Jaspal for completion)

RISK MANAGEMENT – ASSURANCE ON CORPORATE RISKS:-

Strategic Risk Register

The Head of Risk Management and Insurance gave a verbal update on the Strategic Risk Register, indicating that a workshop had taken place involving Strategic Directors on 29 May and that a list of items had been identified for further report.

13

Resolved:-

That the update by the Head of Risk Management and Insurance be noted.

EXTERNAL AUDIT REPORTS AND INSPECTION:-

External Audit Update Report (Appendix 7)

The Council's External Auditors provided an update on progress in delivering the Audit Plan 2011/12. Cllr Simkins raised an issue about procurement and opportunities to make savings. The Assistant Director-Corporate Services indicated that a report was scheduled within the Committee's Work Programme on Procurement Transformation.

14

Resolved:-

(a) That the update be received.

(b) That it be noted that a report will be submitted to a future meeting on procurement transformation and opportunities to make savings.

FINAL ACCOUNTS/ANNUAL GOVERNANCE STATEMENT:-

2011/12 Draft Statement of Accounts (Appendix 8)

The Committee was asked to note the Draft Statement of Accounts, which had been circulated prior to the meeting. The Financial Controller-Corporate Services added that the statement had been completed on time and would be audited in July/August, with any material changes being reported to the Committee.

- 15 Resolved:-
- (a) That it be noted that the Assistant Director – Corporate Services (Section 151 Officer) approved the Draft Statement of Accounts 2011/2012 on 26 June 2012, as required by the Accounts and Audit Regulations.
 - (b) That it be noted that the 2011/2012 Draft Statement of Accounts is to be audited by PricewaterhouseCoopers LLP during July/August, and that any material changes required as a result of the audit will be reported to the Audit Committee.
 - (c) That it be noted that formal publication of the 2011/2012 Statement of Accounts is required by 30 September 2012 (Accounts and Audit Regulations 2011).
 - (d) That it be noted that the Statement of Accounts incorporates a signed copy of the Annual Governance Statement as required by the Accounts and Audit Regulations 2011.

Annual Governance Statement 2011/2012 (Appendix 9)

The Annual Governance Statement 2011/2012 was submitted for information. Richard Bacon (PWC) commented that there is no reference to the Patricia Hughes report on the proposed strategic partnership with Axon Solutions Ltd in the Statement. Councillors were concerned and considered taking up the matter with the Chief Executive and the Leader of the Council. The Assistant Director-Corporate Services responded that a draft statement had been submitted to the Audit/Standards Committees Joint Meeting on 14 June although she undertook to pursue the matter and report back to the Audit Committee at a future meeting.

- 16 Resolved:-
- (a) That the Statement be noted.
 - (b) That comments by the External Auditor that the Patricia Hughes Report on the proposed strategic partnership with Axon Solutions Ltd had not been mentioned in the Statement be noted and that an update report on the implementation of the recommendations by Patricia Hughes be reported to the Audit Committee at a future meeting.