

M I N U T E S

meeting: **AUDIT COMMITTEE**

date: **11 MARCH 2013**

PRESENT:

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

APOLOGIES FOR ABSENCE:

Apologies for absence were submitted on behalf of Councillors Holdcroft
and Simkins

EMPLOYEES IN ATTENDANCE:

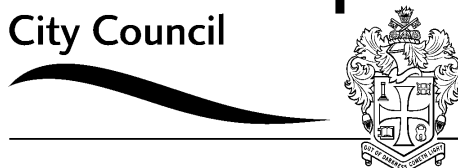
Delivery

K Ireland	-	Strategic Director
P Farrow	-	Head of Audit
D Johnston	-	Head of Risk Management and Insurance
R Morgan	-	Senior Audit Manager
M Taylor	-	Chief Financial Officer
M Webb	-	Head of Service-Delivery
M Fox	-	Democratic Support

PRESENT BY INVITATION:

R Bacon	-	PricewaterhouseCoopers – External Auditors
R Vialard	-	PricewaterhouseCoopers – External Auditors

Wolverhampton
City Council



PART I - OPEN ITEMS
(Open to press and public)

Declarations of interest

48 There were no declarations of interest.

Minutes

49 Resolved:-
 (a) That the minutes of the meeting of the Audit Committee held on 17 December 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 12 December 2012 be noted.

 (c) That the minutes of the meeting of the Audit (Monitoring of Audit Investigations) Sub-Committee held on 17 January 2013 be noted.

Work programme 2012/13 (appendix 34)

 The updated work programme had been circulated for information.

50 Resolved:-
 That the work programme be received.

EXTERNAL AUDIT REPORTS AND INSPECTION:

External audit plan 2012/13 (appendix 35)

 The Council's External Auditors presented their annual audit plan.

51 Resolved:-
 That the report be noted.

ANNUAL GOVERNANCE STATEMENT:

Annual governance statement – significant governance issues (appendix 36)

The Head of Risk Management and Insurance submitted a report on the significant governance issues from the Annual Governance Statement 2011/12. The External Auditor advised against including aspirational risks in the statement. It was also noted that further updates will be submitted about the governance issues relating to welfare reform. Responding to a question about civic centre building issues, it was noted that these will be included in the updated register and submitted to a future meeting.

- 52 Resolved:-
That the report be noted.

RISK MANAGEMENT – ASSURANCE ON CORPORATE RISKS:

Risk management policy and strategy (appendix 37)

This report detailed the outcome of the review of the risk management policy and strategy and sought approval of the revised policy and strategy for 2013.

- 53 Resolved:-
That the review of the risk management policy and strategy be noted, and that the revised policy and strategy for 2013 be approved.

RISK MANAGEMENT – ASSURANCE ON SERVICE RISKS:

Delivery Directorate – risk management and governance (appendix 38)

This report included the key high-level risks facing the delivery directorate and how these are being addressed.

- 54 Resolved:-

That the assurance measures detailed within the report to mitigate current risks be approved.

INTERNAL AUDIT REPORTS:

Internal audit update (quarter 3 – 2012/13) (appendix 39)

This report asked the Committee to note the internal audit update as at 31 December 2012. Cllr Mrs Thompson was pleased to note the work which been carried out concerning looked after children and expressed the hope that further information will be submitted about the work in relation to budgets for both looked after children and older residents of the city. The head of audit responded that this information will be submitted at a future meeting.

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Resolved:-

(a) That the audit update as at 31 December 2012 be noted.

(b) That it be noted that further information will be submitted to the committee about the work in relation to budgets for looked after children and older residents.

PwC review of effectiveness of internal audit – follow-up report (appendix 40)

A report was submitted which detail the results of PwC's follow-up report on internal audit effectiveness. The Head of Audit added that the report will be submitted to the Audit (Monitoring of Audit Investigations) sub-committee in April 2013 regarding the outstanding recommendation from the report. Cllr Claymore requested that this report be circulated to all members of Audit Committee.

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Resolved:-

(a) That the report and the fact that a further report will be submitted to the Audit (Monitoring of Audit Investigations) Sub-Committee regarding the outstanding recommendation be noted.

(b) That it be agreed that a copy of the further report be sent to all Audit Committee members.

Strategy for internal audit 2013/14 – 2015/16 (appendix 41)

The strategy for internal audit 2013/14-2015/16 was submitted for review and approval. It was agreed with the external auditor that some of the Managed Audits would be downgraded to medium risk in future audit plans.

57

Resolved:-

That the strategy for internal audit 2013/14-2015/16 be approved.

Payment transparency (appendix 42)

The report detailed the Council's continued compliance with the Code of Recommended Practice regarding the publication of all payments over £500 and the intention of publishing all expenditure with effect from 1 April 2013, rather than restricting it to expenditure with a value of over £500.

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Resolved:-

That the Council's compliance with the code of recommended practice concerning payments over £500 and the changed arrangements for publication of expenditure from 1 April 2013 be noted.

Public sector internal audit standards (appendix 43)

The new public sector internal audit standards were submitted for information.

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Resolved:-

That the new public sector internal audit standards which come into effect from 1 April 2013 be noted.

OTHER GOVERNANCE ISSUES:

Audit Committee terms of reference - annual review (appendix 44)

The Committee was asked to review its current terms of reference in respect of the role of the Committee and its Sub-Committees. Sub-Committee members commented that the arrangements for the Sub-Committees are operating well and placed on record their view that the Committee and Sub-Committees are serviced well by council employees. The Head of Audit also provided an update about arrangements to appoint independent members to the committee, adding that the appointments will now be submitted to full Council for approval.

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Resolved:-

That the terms of reference for the Audit Committee and Sub-Committees be approved.