



Audit Committee

Minutes – 23 September 2013

Attendance

Members of the Committee

Cllr Keith Inston (chair)
Cllr Harbans Bagri
Cllr Phil Bateman
Cllr Alan Bolshaw
Cllr Mike Hardacre
Cllr Jasbir Jaspal
Cllr Mrs Wendy Thompson

Independent members

Mike Ager

Employees

Keith Ireland	Strategic Director-Delivery
Mark Taylor	Assistant Director-Finance
Peter Farrow	Head of Audit
Fiona Davis	Head of Service-Delivery
David Johnston	Head of Risk Management and Insurance
David Kane	Head of Finance-Delivery
Richard Morgan	Senior Audit Manager
Mark Wilkes	Principal Auditor
Martin Fox	Democratic Support Officer

External Auditors

Richard Bacon	PricewaterhouseCoopers
Richard Vialard	PricewaterhouseCoopers

Part 1 – items open to the press and public

<i>Item No.</i>	<i>Title</i>	<i>Action</i>
-----------------	--------------	---------------

MEETING BUSINESS ITEMS

1. Apologies for absence

Apologies for absence were submitted on behalf of Cllr Matthew Holdcroft and Terry Day (Independent member).

2. **Declarations of interest**

No interests were declared.

3. **Minutes**

Resolved:

Martin

Fox

(a) Audit committee – 8 July 2013

That the minutes of the meeting held on 8 July 2013 be approved as a correct record and signed by the Chair.

(b) Audit (final accounts monitoring and review) sub-committee – 25 July 2013

Resolved:

That the minutes of the meeting held on 25 July 2013 be noted.

(c) Audit (monitoring of audit investigations) sub-committee – 15 July 2013

Resolved:

That the minutes of the meeting held on 15 July 2013 be noted.

4. **Matters arising**

There were no matters arising.

5. **Work programme 2013/14**

Resolved:

That the work programme be received.

- **Agenda**

Resolved

(a) That the order of the agenda be changed to enable agenda items 8a/b to be considered prior to agenda item 6 (Audited statement of accounts 2012/13).

(b) That an additional urgent item be considered in the exempt part of the agenda in accordance with Section 100b(4) of the Local Government Act 1972 on the grounds as detailed in Part 2 of the agenda.

INFORMATION ITEMS 1

8. **EXTERNAL AUDIT REPORTS AND INSPECTION:**

a **2012/13 Report to those charged with governance**

The external auditors presented their annual report to those charged with governance. They responded to a question about materiality levels raised by Cllr Mrs Thompson. They also congratulated the

Mark

Taylor

officers involved for the work represented by the preparation of the audited accounts for 2012/13.

Resolved:

That the report be noted.

b Medium term financial strategy review – Report of Pricewaterhouse Coopers

Mark
Taylor

The external auditors presented their review of the Council's medium term financial strategy.

Resolved:

That the report be noted.

DECISION ITEMS

6. FINAL ACCOUNTS/ANNUAL GOVERNANCE STATEMENT

a Audited statement of accounts 2012/13

Mark
Taylor

The audited accounts for 2012/13 were submitted for approval. The Assistant Director-Finance indicated that further adjustments may be necessary prior to the final publication date of 30 September and he undertook to keep the committee informed of any changes. The Chair thanked employees and the external auditors for arranging a briefing for committee members on the accounts prior to the meeting.

Resolved;

- (a) That the formal publication of the 2012/13 statement of accounts, as required by the Accounts and Audit Regulations 2011 and which require publication by 30 September, be approved, subject to subject to any necessary minor amendments, which the Chair be authorised to agree in consultation with the Assistant Director-Finance.
- (b) That the Chair be authorised to agree subsequent changes to the statement of accounts in consultation with the Assistant Director-Finance.
- (c) That it be noted that the Council's external auditors are nearing completion of their audit of the 2012/13 draft statement of accounts and intend to issue an unqualified opinion, subject to final review of the amended accounts and a small number of other matters.
- (d) That it be noted that the external auditors have identified no material errors which are expected to remain unadjusted in the amended statement of accounts.

7. INTERNAL AUDIT REPORTS

- a **Internal audit charter** Peter Farrow
The Head of Audit submitted the internal audit charter for approval, the charter being a formal document which defines the activity, purpose authority and responsibility of internal audit and its position within the Council.
Resolved:
That the internal audit charter be approved.

INFORMATION ITEMS 2

9. RISK MANAGEMENT- ASSURANCE ON CORPORATE RISKS

- a **Risk management- Benchmarking** David Johnston
The Head of Risk Management and Insurance submitted a report which detailed the results of the Council's participation in a risk management benchmarking exercise by The Public Risk Management Association and the Chartered Institute of Public Finance and Accountancy.
Resolved:
That the outcome of participation in the benchmarking exercise be noted.

10. INTERNAL AUDIT REPORTS:

- a **Internal audit update-quarter 1** Peter Farrow
The Head of Audit updated the committee on progress made against the 2013/14 audit plan and on recent work which has been completed.
Resolved:
That the content of the latest internal audit update at the end of quarter one be noted.
- b **Audit services management arrangements update** Peter Farrow
The Head of Audit provided an update on arrangements to continue the partnership with Sandwell MBC for the role of Head of Audit and the further development of audit services to include taking on the management of the Council's existing Benefits Fraud Investigation Team. Cllr Hardacre referred to the table on page 3 of the report which showed the wider client base for the combined audit team, advising that Heath Park and Moseley Park schools now operate as a consortium.

Resolved:

That the continuing management arrangements for internal audit and a further extension of the service as detailed in the report be noted.

c CIPFA Audit committee update- Issue 11

Peter
Farrow

The Head of Audit submitted the latest audit committee update issued by the Chartered Institute of Public Finance and Accountancy-helping audit committees to be effective. Cllr Mrs Thompson referred to the reference to the introduction of independent panels in the future and expressed the hope that the independent members will have experience in accountancy and finance. The Head of Audit responded that further information on the panels will be brought before the committee when this is available.

Resolved:

That the report be noted

d Payment transparency

Peter
Farrow

The Head of Audit Services submitted the latest review of the Council's compliance with the Code of Recommended Practice regarding the publication of all payments over £500 and also the publication of all payment data with effect from 1 April 2013 and not only that with a value of over £500. Cllr Hardacre questioned whether the code applies to schools and the Head of Audit undertook to respond to the councillor after the meeting.

Resolved:

That the report be noted.

EXCLUSION OF PRESS AND PUBLIC

11. Exclusion of press and public

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) of business as they involve the likely disclosure of exempt information falling within the paragraphs of Schedule 12A of the Act set out below:

<i>Item No.</i>	<i>Title</i>	<i>Applicable paragraph</i>
12.	Current internal audit reports	1

Part 2 – exempt items, closed to the press and public

12. **Current internal audit reports**

Keith Ireland

The Strategic Director for Delivery briefed the committee about 3 recent internal audit reports and their implications for the Council.

Resolved:

That the report be noted.