



Meeting of the Audit (Monitoring of Audit Investigations) Sub-Committee Minutes - 21 July 2014

Attendance

Members of the Sub-Committee

Cllr Keith Inston (Chair)
Cllr Dr Michael Hardacre
Cllr Christine Mills (Vice-Chair)
Cllr Wendy Thompson

Members of the Audit Committee

Cllr Harbans Bagri
Cllr Philip Bateman
Cllr Alan Bolshaw
Cllr Jasbir Jaspal

Employees

Dereck Francis	Democratic Support Officer
Keith Ireland	Strategic Director, Delivery
Mark James	Fraud Manager
Katy Morgan	Client Lead Auditor
Richard Morgan	Senior Audit Manager
Mark Taylor	Assistant Director, Finance
Mark Wilkes	Client Lead Auditor

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 Apologies for absence**
Apologies for absence were submitted on behalf of Mike Ager and Terry Day (Independent members).
- 2 Declarations of interests**
Cllr Dr Mike Hardacre declared a personal interest in agenda items 5 and 7 in so far as they relate to the City of Wolverhampton College, the Central; Learning Partnership Board and Woodthorne Primary School.
- 3 Minutes of the previous meeting (28 April 2014)**
Resolved:
That the minutes of the meeting held on 28 April 2014 be approved as a correct record and signed by the Chair.

4 **Matters arising**

There were no matters arising from the minutes of the previous meeting.

5 **Audit Services - Counter Fraud Report July 2014**

Mark Wilkes presented the report which updated the Sub Committee on the current counter fraud activities undertaken by the Counter Fraud unit within Audit Services.

Resolved:

That the consents of the latest Internal Audit counter fraud update be noted.

6 **Internal Audit Report - Performance Appraisal Scheme**

The Sub-Committee discussed the report on an internal audit review of the Council's performance appraisal scheme.

Cllr Paul Sweet, Cabinet Member for Performance and Governance had been invited the meeting to discuss the report but owing to a misunderstanding regarding the date of the meeting he was unable to attend.

Keith Ireland updated the Sub Committee on action that had been taken following the discussion at Audit Committee and Full Council on 14 and 16 July respectively regarding the appraisals process. An email had been circulated to all service heads about appraisals and the expectations from the Strategic Executive Board (SEB) of managers to undertake appraisal of their staff. The appraisals process had been reviewed, a report on which would be submitted to this week's SEB meeting. He updated the meeting on the latest available figures on appraisals undertaken in each directorate across the Council. He also reported that he was working on the performance culture within his Directorate and that appraisal was part of that work.

Cllr Wendy Thompson commented that she did not feel there was the will of the political leadership to see the appraisals undertaken.

Cllr Dr Mike Hardacre reported that he did not understand why appraisals were not taking place. He and other members of the Sub Committee remarked that disciplinary action should to be taken against those in cases where appraisals were not happening. He also reported that there was a danger that there was a concentration on the negatives of appraisal when it should be seen as a positive experience.

Cllr Bateman acknowledged that there was a willingness to move forward on this issue in order to get the Council to where it wants to be but it could not be underestimated why the Council was in the position it was today.

Resolved:

That further discussion on the internal audit review report and the Executive's response and plan for improvement be deferred to a meeting in September 2014 and the Cabinet Member for Governance and Performance be requested to attend the meeting.

7 **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>
7	Audit Investigations Update	1, 2, 3

Part 2 - exempt items, closed to public and press

8 **Audit Investigations Update**

The Sub Committee received updates on the current audit investigations.

Referring to case reference IL17W, Cllr Dr Michael Hardacre asked what recourse was available to the Council if it was unable to obtain answers to its questions. Keith Ireland suggested that with the Sub-Committee's agreement he would ask the Assistant Director, Finance refer it to the Council's external auditors.

The Sub Committee asked that a check be made to confirm that action had been taken following the audit investigations referred to in case reference IL671. During the discussion on this update it was confirmed that the schools' external HR provider would be providing the HR support for the disciplinary proceedings referred to in the report.

Resolved:

1. That the current position with regard to the audit investigations be noted.
2. That in connection with case reference IL17W – the Assistant Director Finance be requested to refer the matter to the Council's external auditors and that a lesson's learned report be submitted to the next meeting of the Sub-Committee.