

AUDIT COMMITTEE

Thursday 11th February, 2010 at 6pm
in Committee Room 3 at the Council House, Dudley

PRESENT: -

Councillor Taylor (Chairman)
Councillor Kettle (Vice Chairman)
Councillors Burston, Caunt, J R Davies, Hill and Ms Nicholls.

Officers:-

Interim Director of Finance, Head of Audit Services, Interim Assistant Director of Finance (Financial Services and Corporate Finance) (Directorate of Finance, ICT and Procurement) Director of Adult, Community and Housing Services, Assistant Director of Learning Disabilities and Mental Health, Assistant Director of Older People and Physical Disabilities, Principal Project Officer, Review and Improvement Consultant (Directorate of Adult, Community and Housing Services) Assistant Director (Performance and Partnership) (Directorate of Children's Services) and Miss K Wilson (Directorate of Law, Property and Human Resources).

Also in Attendance:-

Mr T Corcoran (District Auditor) and Mr S Turner (Audit Manager) (Audit Commission).
G. Harrison, S. Potter and S. Downen (Audit Services)

28 APOLOGIES FOR ABSENCE

Apologies for absence from the meeting was submitted on behalf of Councillors Ali, Ahmed and J D Davies.

29 APPOINTMENT OF SUBSTITUTE MEMBER

It was reported that Councillor Caunt had been appointed as a substitute member for Councillor J D Davies for this meeting of the Committee only.

30 DECLARATIONS OF INTEREST

No member made a declaration of interest, in accordance with the Members' Code of Conduct, in respect of any matter to be considered at this meeting.

31

MINUTES

RESOLVED

That, the Minutes of the Committee held on 24th September, 2009 be approved as a correct record and signed.

32

ANNUAL AUDIT LETTER 2009

A joint report of the Chief Executive and the Interim Director of Finance was submitted on the Audit Commission's Annual Audit Letter 2009. A copy of the letter was appended to the report submitted.

Mr Tony Corcoran, the District Auditor, and Mr Simon Turner, Audit Manager, were in attendance at the meeting and commented in particular on the very good report that had been submitted. Mr Corcoran stated that he had assessed that the Council had good arrangements in place for managing finances, governing the business and that there were adequate arrangements – as indicated in the score judgements – for managing resources.

Arising from the presentation of the report and Appendices submitted to the report, the District Auditor responded to questions asked by the Committee.

RESOLVED

That the information contained in the report, and Appendices to the Report, submitted on the Annual Audit Letter 2009 be accepted.

33

RISK MANAGEMENT STRATEGY 2010/11

A report of the Interim Director of Finance was submitted on the key developments in the Council's risk management programme in the preceding 12 months. A copy of the Risk Management Strategy 2010/11 was appended to the report submitted.

The Interim Assistant Director of Finance (Financial Services and Corporate Finance) presented the report and Appendix submitted to the report, and responded to questions asked by the Committee in relation to the full market tender scheduled for Summer 2010.

RESOLVED

That the information contained in the report, and appendix 1 to the report, submitted, on the Risk Management Strategy 2010/11, be approved.

TREASURY MANAGEMENT

A report of the Interim Director of Finance was submitted outlining treasury activity in the year 2009/10 up to the end of December; to seek approval to adopt the revised CIPFA Code of Practice on Treasury Management in the Public Services 2009 and to approve the Treasury Management Strategy 2010/11.

RESOLVED

That, subject to the approval of Council:-

- (1) Treasury management activities as set out in the report be noted.
- (2) The revised CIPFA Treasury Management Code of Practice 2009 be adopted.
- (3) The four amended clauses detailed in Appendix 1 of the report submitted, be incorporated into the Council's Financial Regulations.
- (4) The Treasury Strategy 2010/11, attached as appendix 2 of the report submitted, be approved.
- (5) The Interim Director of Finance be authorised to effect such borrowings, repayments and investments as were appropriate and consistent with the approved Treasury Strategy and relevant guidance.

EXCLUSION OF THE PUBLIC

That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Local Government Act, 1972, as indicated below; and that in all the circumstances, the public interest in disclosing the information is outweighed by the public interest in maintaining the exemption from disclosure.

<u>Item</u>	<u>Paragraph Numbers</u>
Annual Audit Report in Relation to the Directorate of Adult, Community and Housing Services	2 and 7
Annual Audit Report in Relation to the Directorate of Children's Services	2 and 7

36 ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF ADULT, COMMUNITY AND HOUSING SERVICES

A report of the Interim Director of Finance was submitted on the audit work undertaken in the Directorate of Adult, Community and Housing Services for the financial year 2008/09 and incorporating details of the more important findings.

Arising from consideration of the report, and Appendices to the report, submitted, the Chairman expressed concern in relation to the number of unimplemented recommendations arising from previous reports. The Director of Adult, Community and Housing Services assured the Committee that priority would be given to unimplemented recommendations.

In responding to a query from the Chairman in relation to the lack of attendance by Council Officers at Adult Protection Case Conferences, the Assistant Director of Learning Disabilities and Mental Health stated that the directorate had carried out their own audit, which indicated a very high percentage attendance by most agencies. He also stated that if a key person was unable to attend a case conference then a second meeting would be held to ensure that all parties were fully informed.

In responding to a query from the Chairman in relation to the progress of Adult Protection training, the Assistant Director of Learning Disabilities and Mental Health confirmed that Adult Protection Awareness Courses had been delivered to approximately 2,000 Dudley Council and Independent Sector employees in 2009.

RESOLVED

That the findings of the 2008/09 audit work be accepted.

37 ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF CHILDREN'S SERVICES

A report of the Interim Director of Finance was submitted on the audit work undertaken in the Directorate of Children's Services for the financial year 2008/09 and incorporating details of the more important findings.

Arising from consideration of the report, and Appendices to the report, submitted, the Chairman expressed concern in relation to the number of unimplemented recommendations and breaches arising from previous reports.

The Assistant Director for Performance and Partnership advised that both he and the Director of Children's Services acknowledged the position and assured the Committee that priority would be given to the recommendations given.

Reference was also made to the importance of commissioning the services of the Council's Print Unit Section or the Marketing and Communication Section in the first instance, when printing work was required.

RESOLVED

That the findings of the 2008/09 audit work be accepted.

38

AUDIT SERVICES INTERIM PERFORMANCE REPORT

A report of the Interim Director of Finance was submitted on an update of Audit Services performance and other related information.

Arising from consideration of the report submitted, it was noted that a report on Fraud would be submitted to the April 2010 meeting of the Committee.

The Interim Director of Finance paid tribute to the Head of Audit Services and his team for their level of commitment and hard work.

RESOLVED

That the Audit Services Interim Performance report be accepted.

39

REPORT REQUIRED UNDER STANDING ORDERS

A report of the Interim Director of Finance was submitted on cases arising under Standing Orders 3.2 and 9.8 for the period July 2009 to November 2009 inclusive.

RESOLVED

That the information contained in the report submitted be accepted.

The meeting ended at 7.40pm

CHAIRMAN