

AUDIT COMMITTEE

Tuesday 29th June, 2010 at 6pm
in Committee Room 3 at the Council House, Dudley

PRESENT:-

Councillor Taylor (Chairman)
Councillor Kettle (Vice Chairman)
Councillors Ahmed, J D Davies, Hill, Lowe, Ms Nicholls, Ms Partridge and Vickers.

Officers:-

Treasurer, Director of Corporate Resources, Assistant Director of Law, Property and Human Resources (Human Resources and Citizenship), Assistant Director - Policy and Improvement (Corporate Policy and Research), Head of Audit Services, Mrs J Uff (Financial Accountant), Mr A Uppal (Group Accountant), Mr G Harrison and Mr Shaun Potter (Audit Managers), Ms A Evans (Principal Auditor), and Mrs K Taylor (Directorate of Law, Property and Human Resources).

1 CHAIRMANS REMARKS

The Chairman welcomed new members to the meeting.

2 APOLOGIES FOR ABSENCE

An apology for absence from the meeting was submitted on behalf of Councillor Burston.

3 APPOINTMENT OF SUBSTITUTE MEMBER

It was reported that Councillor Vickers had been appointed as a substitute member for Councillor Burston for this meeting of the Committee only.

4 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.

5 MINUTES

RESOLVED

That the Minutes of the Committee held on 15th April, 2010 be approved as a correct record and signed

6 CHANGE IN ORDER OF BUSINESS

Pursuant to Council Procedure Rule 13(c) it was:-

RESOLVED

That the remaining items of business be considered in the following order:-

Agenda Item Nos. 13, 14, 15, 5, 6, 7, 8, 9 and 10

7 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>
Suspensions Under the Provisions of Employee Improvement and Disciplinary Procedure	1
Annual Audit Report in Relation to the Directorate of Law, Property and Human Resources	2 and 7
Annual Audit Report in Relation to the Chief Executive's Directorate	2 and 7

8 SUSPENSIONS UNDER THE PROVISIONS OF THE EMPLOYEE IMPROVEMENT AND DISCIPLINARY PROCEDURE.

A report of the Director of Corporate Resources was submitted on the number of employees who were currently suspended pending an investigation into allegations of gross misconduct in comparison to previous years information.

Arising from the presentation of the report submitted, by the Director of Corporate Resources, and the making of a number of comments, it was

RESOLVED

That the information contained in the report submitted be noted.

ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF
THE LAW, PROPERTY AND HUMAN RESOURCES.

A report of the Treasurer was submitted on audit work undertaken in the Directorate of the Law, Property and Human Resources for the 2009/2010 financial year and incorporating details of the more important findings as indicated in Appendices 2 and 3 to the report submitted.

Arising from consideration of the report, and Appendices to the report, submitted, the Chairman expressed praise for the low number of unimplemented recommendations.

Following a discussion in relation to the recommendations as indicated in Appendices 2, 3 and 4 to the report submitted, it was suggested that it would be beneficial to Members if future audit reports contained further financial details.

RESOLVED

That the findings of the 2009/10 audit work be accepted.

ANNUAL AUDIT REPORT IN RELATION TO CHIEF EXECUTIVE'S
DIRECTORATE

A report of the Treasurer was submitted on the audit work undertaken in the Chief Executive's Directorate for the 2009/10 financial year and incorporating details of the more important findings as indicated in Appendices 2 and 3 to the report submitted.

Arising from consideration of the report, and Appendices to the report, submitted, the Chairman expressed praise for the low number of unimplemented recommendations.

Following a discussion in relation to the recommendations as indicated in Appendices 2, 3 and 4 to the report submitted, it was suggested that it would be beneficial to Members if future audit reports contained further financial detail.

RESOLVED

That the findings of the 2009/10 audit work be accepted.

FINANCIAL REGULATIONS

A report of the Treasurer was submitted proposing a revision to Financial Regulations. The relevant extract from the Financial Regulations was set out at Appendix A to the report submitted.

Reference was made by a Member in relation to the provision of honorariums, and to a suggested addition to paragraph 18.5 of appendix A.

RESOLVED

- (1) That, subject to resolution (2) below, approval to be given to the proposed amendments to Council and School Financial Regulations, as set out in the report and Appendix A of the report submitted.
- (2) That approval be given to the following addition to paragraph 18.5 of the Financial Regulations, referred to at Appendix A to the report submitted :-

“(F) Provision of honorariums / revision of payments”

12

AMENDMENT OF STANDING ORDERS

A report of the Treasurer was submitted proposing a revision to Standing Orders. The proposed changes were set out at Appendix A to the report submitted.

Arising from the presentation of the report, and Appendix A to the report submitted, reference was made to the registration of tenders, and whether Members should be present at the signing of the Tenders. In response, the Head of Audit Services stated that the majority of tenders were completed electronically, and that he would refer all concerns raised to the Chairman of the Procurement Strategy Group.

Following further discussion it was

RESOLVED

That approval be given to the proposed amendments, as set out in the report submitted, and that the Treasurer be authorised to approve guidance documents linked to Standing Orders.

13

ANNUAL REVIEW OF INTERNAL AUDIT

A report of the Treasurer was submitted on the annual review of the effectiveness of the system of internal audit that would form part of the Annual Governance Statement for the 2009/2010 financial year.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the review of the effectiveness of the system of internal audit be accepted.

INTERNAL AUDIT SERVICES ANNUAL REPORT 2009/10.

A report of the Treasurer was submitted on an overview of the performance of Dudley Audit Services in the year to 31st March, 2010, and on the opinion of the Head of Audit Services' on the effectiveness of the Council's system of internal control.

Arising from the presentation of the report, reference was made to the availability of audit reports for members. In response, the Head of Audit Services agreed to refer the matter to the Director of Corporate Resources and Treasurer.

RESOLVED

- (1) That the information contained in the report, and Appendices to the report submitted, on the performance of Internal Audit Services in 2009/10, be approved together with the opinion of the Head of Internal Audit on the effectiveness of the Council's system of internal control.
- (2) That further information be provided in future reports on the cost of audit and efficiency savings.

ANNUAL GOVERNANCE STATEMENT.

A report of the Treasurer was submitted on the Annual Governance Statement that was to be published with the accounts for the financial year 2009/10.

RESOLVED

That approval be given to the Annual Governance Statement, as set out in Appendix C, and for its referral for signature by the Leader of the Council and the Chief Executive.

STATEMENT OF ACCOUNTS 2009/10

A report of the Treasurer was submitted on the Statement of Accounts 2009/10 and on the progress of the audit of the accounts.

RESOLVED

That approval be given to the Statement of Accounts, attached to the report submitted, for the 2009/10 financial year and that the Chairman sign and date the accounts.

COMMENTS OF THE CHAIRMAN

The Chairman reminded the Committee that a Treasury Management training course was scheduled for Tuesday 20th July, 2010, and encouraged the new Members of the Committee to contact the Head of Audit Services if they wished to attend an induction training session.

The meeting ended at 8.57pm

CHAIRMAN