

## **AUDIT AND STANDARDS COMMITTEE**

Tuesday, 9<sup>th</sup> July, 2013 at 6.00 p.m.  
in Committee Room 3, The Council House, Dudley

### **PRESENT:-**

Councillor Cowell (Chair)  
Councillor Arshad (Vice-Chair)  
Councillors Harris, Hill, Mrs. Martin, Russell, Taylor and K. Turner

### **Officers**

Treasurer, Head of Audit Services, Director of Corporate Resources, Assistant Director, Law and Governance (Directorate of Corporate Resources), Audit Managers, Principal Auditor, Assistant Director, Policy and Improvement (Chief Executive's Directorate) and Mr. J. Jablonski (Directorate of Corporate Resources).

### **Also in Attendance**

Ms. K. Bellingall (Director) (Grant Thornton)  
Mr. S. Turner (Manager) (Grant Thornton)

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence from the meeting were submitted on behalf of Councillors Tyler and C. Wilson.

---

#### **2. APPOINTMENT OF SUBSTITUTE MEMBERS**

It was reported that Councillor K. Turner had been appointed as a substitute member for Councillor C. Wilson for this meeting of the Committee only.

---

#### **3. DECLARATIONS OF INTEREST**

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

---

4. MINUTES

Arising from consideration of the minutes, Councillor Taylor referred to the pre-amble to Minute 40 and reported that he had still not received a response from the Director of Adult, Community and Housing Services in relation to the introduction of a policy for deceased client's balances.

The Chair undertook to take this matter up.

RESOLVED

That the minutes of the meeting held on 25<sup>th</sup> April, 2013, be approved as a correct record and signed.

---

5. GRANT THORNTON AUDIT OPINION PLAN 2012/13

A report of the Treasurer was submitted on the External Auditor's Audit Opinion Plan for 2012/13 attached as Appendix 1 to the report submitted.

Ms. K. Bellingall commented on the content of the Appendix which assessed the risk of material misstatements in the Accounts and set out audit procedures to address those risks.

RESOLVED

That the information contained in the report, and Appendix 1 to the report, submitted on the External Auditor's Audit Opinion Plan for 2012/13, be noted.

---

6. INTERNAL AUDIT SERVICES ANNUAL PERFORMANCE AND REVIEW REPORT 2012/2013

A report of the Treasurer was submitted on an overview of the performance of the Dudley Audit Services in the year to the 31<sup>st</sup> March, 2013 and to inform members of the Head of Audit Services' review of Audit Services in line with the Accounts and Audit Regulations, 2011 which require the Council to conduct an annual review of the effectiveness of internal audit. The Head of Audit is also required to give an opinion on the system of risk management and internal control and this was referred to in paragraphs 19 and 20 of the report submitted.

Following a presentation of the content of the report and related Appendices to the report submitted, lettered A to D, members commented, in particular, on the content of Appendix D - CIPFA "A Toolkit for Local Authority Audit Committees".

In this connection, it was suggested that further consideration be given to members of the Committee carrying out a self-assessment as to their skills and experiences possibly leading to training given for identified gaps; the Committee holding a meeting in private to discuss issues with the Head of Internal Audit and a similar meeting with the external auditors, and to the possible production of a formal annual report on the work of the Committee and performance during the year to full Council.

It was also noted that training for new members of the Committee was to be arranged in due course by the Head of Audit Services.

The Head of Audit also advised that additional information on benchmarking would be presented to the September meeting.

Arising from consideration of the training referred to in paragraph 7 of the report submitted, it was suggested that an evaluation of the effectiveness of workshops/briefings provided to school staff and Governors be carried out and it was reported that this would receive consideration.

Regarding the number of post-audit questionnaires returned in 2012/13, some 50% of those issued, concerns were raised by members of the Committee at this low rate of return.

#### RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the performance and review of Audit Services in 2012/13, be accepted and that the Head of Audit Services be requested to write to the Chief Executive and Directors of the Council asking that they take steps to ensure that post-audit questionnaires were returned following audits in their respective directorates.

---

## 7. REVIEW OF CURRENT CORPORATE RISKS

A report of the Treasurer was submitted on current corporate risks, as most recently reviewed by the Corporate Board, and to advise on future scrutiny arrangements of these risks. Appendix 1 to the report submitted showed details of corporate risks as reviewed by Corporate Board on 4<sup>th</sup> June, 2013.

During his presentation of the content of the report, and Appendix 1 to the report submitted, the Treasurer referred, in particular, to the Committee giving consideration to identifying and scrutinising a specific risk from those shown in the Appendix for consideration when the Committee next considered the issue of corporate risks at its meeting in December, 2013.

#### RESOLVED

That the information contained in the report, and Appendix 1 to the report, submitted on current corporate risks, be noted and that risk ORG0017 - Welfare Reforms - be the particular risk identified for closer scrutiny the next time a risk report was referred for consideration by the Committee, on 10<sup>th</sup> December, 2013.

---

8. COMMITTEE WORK PLAN, 2013/14

A report of the Treasurer and the Director of Corporate Resources was submitted on a Committee Work Plan for 2013/14

Arising from consideration of the content of Appendix 1 to the report which set out the Schedule of Agenda Items, it was agreed that a further statement as to exceptions to Standing Orders would be included in an Audit Services Interim Performance Report so as to increase the number of occasions on which this issue was reported on, to three.

RESOLVED

That the information contained in the report, and Appendix 1 to the report, submitted be approved together with the addition referred to above.

---

9. RE-APPOINTMENT OF THE STANDARDS SUB-COMMITTEE

A report of the Director of Corporate Resources was submitted on the re-appointment of the Standards Sub-Committee.

RESOLVED

That the Standards Sub-Committee be re-appointed for 2013/14 with its existing Terms of Reference and that the membership of the Sub-Committee comprise Councillors Cowell, Mrs. Martin, Taylor and Tyler, two members from each of the political groups on the Committee with proportionality waived as to membership.

---

10. 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 exception from disclosure.

Description of Item

Relevant Paragraphs  
of Part 1 of Schedule  
12A

Annual Audit Report in relation to the Chief Executive's Directorate 2 and 7

Annual Audit Report in relation to the Directorate of Corporate Resources 2 and 7

---

11. ANNUAL AUDIT REPORT IN RELATION TO THE CHIEF EXECUTIVE'S  
DIRECTORATE

---

A report of the Treasurer was submitted on the Audit work undertaken in the Chief Executive's Directorate for the financial year 2012/13 and incorporating details of the more important findings.

RESOLVED

That the findings of the 2012/13 Audit work, be accepted.

---

12. ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF  
CORPORATE RESOURCES

---

A report of the Treasurer was submitted on the Audit work undertaken in the Directorate of Corporate Resources for the financial year 2012/13 and incorporating details of the more important findings.

RESOLVED

That the findings of the 2012/13 Audit work, be accepted.

The meeting ended at 7.45 p.m.

CHAIRMAN