

AUDIT COMMITTEE

Wednesday, 26th October, 2005 in Committee Room 3 at The Council House, Dudley

PRESENT:-

Councillor Burston (Chairman)
Councillor Ms Nicholls (Vice Chairman)
Councillors Mrs Collins, Crumpton, J R Davies, Mrs Jordan, Knowles and Taylor

Officers – Assistant Director of Finance, Director of Adult, Community and Housing Services, the Assistant Director of Housing (Strategy/Private Sector Housing), Assistant Director of Children's Services (Resources and Planning), Head of Audit Services (Directorate of Finance, ICT and Procurement), and Mr Farooq and Mr Sanders (Directorate of Law and Property)

12

MINUTES

RESOLVED

That the minutes of the Meeting of the Committee held on 21st July 2005, be approved as a correct record and signed.

13

DECLARATION OF INTEREST

A declaration of personal interest, in accordance with the Members' Code of Conduct, was made by Councillor Mrs Jordan in respect of Appendix 5 to Agenda item number 11 (Annual Audit Report in Relation to the Director of Education and Lifelong Learning) in so far as it related to Pens Meadow School, in view of her governorship of that school.

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APOLOGY FOR ABSENCE

An apology for absence from the meeting was received on behalf of the Director of Finance.

15

TREASURY MANAGEMENT

A report of the Director of Finance was submitted, outlining treasury activity between April 2004 and September 2005.

RESOLVED

That the treasury management activity set out in the report be noted and referred to Council for approval in accordance with the Treasury Policy Statement and Treasury Management Practices.

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DUDLEY INTERNAL AUDIT SERVICES – VALUE FOR MONEY

Further to the decision of the Committee, at its last meeting, requesting a report on the value for money of the Council's internal audit function, a report of the Director of Finance in this regard was submitted.

The report summarised statutory requirements in relation to internal audit, indicated the primary objective of the internal audit service as to provide assurance to the authority and the Director of Finance (as the Council's designated Chief Financial Officer), that the internal control environment was adequate and robust, and stated the roles and responsibilities of internal audit.

In presenting the report, the Assistant Director of Finance drew attention to the crucial role of internal audit in identifying anticipated problems and taking preventative action before they occurred. Reference was also made in the discussion to Dudley's comparative costs with other authorities in relation to both internal audit and Council services generally.

RESOLVED

That the report be received and noted.

17

EXCLUSION OF THE PUBLIC

RESOLVED

That, under Section 100A (4) of the Local Government Act, 1972, 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 Schedule 12A to that Act, in particular the paragraph of Part I of that Schedule indicated below:-

<u>Description of Item</u>	<u>Relevant Paragraph of Part I of Schedule 12A</u>
Annual Audit Report in relation to the Chief Executive's Directorate	1
Annual Audit Report in relation to the Housing Directorate	1

Annual Audit Report in relation to the Directorate of Education and Lifelong Learning	1
Report required under Standing Order 3.2	1

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

A report of the Director of Finance was submitted summarising the work undertaken in the Chief Executive's Directorate for the 2004/05 financial year and incorporating details of the more important findings.

RESOLVED

That the findings of the 2004/05 audit work be accepted.

19 ANNUAL AUDIT REPORT IN RELATION TO THE HOUSING DIRECTORATE

A report of the Director of Finance was submitted summarising the audit work undertaken in the former Directorate of Housing for the 2004/05 financial year and incorporating details of the more important findings.

RESOLVED

- (1) That the findings of the 2004/05 audit work be accepted.
 - (2) That regarding the issue of Criminal Records Bureau checks in relation to officers in the Directorate of Adult, Community and Housing Services as referred to on page 57 of the Agenda papers, the Director of Adult, Community and Housing Services review the issue and report to the Corporate Board and the Audit Committee in due course.
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20 ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF EDUCATION AND LIFELONG LEARNING

A report of the Director of Finance was submitted summarising the audit work undertaken in the former Directorate of Education and Lifelong Learning for the 2004/05 financial year and incorporating details of the more important findings.

In relation to the findings on the sixth issue in Appendix 4, in presenting the report, the Head of Audit Services confirmed that the matters referred to on pages 195 to 197 of the Agenda Papers was being addressed by an officer within the central administration of the Directorate of Children's Services.

A number of questions were asked on the background and action taken in relation to certain breaches, in response to which the Head of Audit Services alluded to the extremely diverse nature of the establishments under the control of the Directorate, some of which were staffed by only two or three officers.

RESOLVED

- (1) That the findings of the 2004/05 audit work be accepted.
- (2) That an oral report be made to the next meeting of the Committee on the procedures in place for the collection and banking of income at the establishment concerned referred to on page 169 of the agenda papers.
- (3) That, regarding the issue of bank account signatories referred to on page 172 of the agenda papers, the Director of Children's Services be asked to identify the amounts involved at the establishments concerned and advised to change to a requirement for two signatories should the amount involved be significant, but to take no action should the amounts involved be of petty cash-type value.

21

REPORT REQUIRED UNDER STANDING ORDER 3.2

A report of the Director of Finance was submitted on cases arising under Standing Orders 3.2, 5.2 and 29.4 for the period from October, 2004 to September, 2005.

RESOLVED

- (1) That the report be accepted.
- (2) That the detailed report be submitted to the next meeting on case reference H346.

22

FORMAT OF ANNUAL AUDIT REPORTS

RESOLVED

That a background section to annual audit reports of Directorates in future contain a summary itemising the more important findings to which attention will be drawn.

The meeting ended at 7.15 pm

CHAIRMAN

AUD/9