

AUDIT COMMITTEE

Thursday 24th September, 2009 at 6pm
in Committee Room 3 at the Council House, Dudley

PRESENT:-

Councillor Taylor (Chairman)
Councillor Kettle (Vice Chairman)
Councillors Ahmed, Ali, Burston, J D Davies, Hill and Ms Nicholls.

Officers:-

Interim Director of Finance, Head of Audit Services, Principal Accountant (Directorate of Finance, ICT and Procurement) Executive Support Manager, Assistant Director of Environmental Management, Assistant Director of Culture and Leisure (Directorate of Urban Environment) Interim Director of Law, Property and Human Resources, Assistant Director of Human Resources and Citizenship, and Miss K Wilson (Directorate of Law, Property and Human Resources),

Also in Attendance:-

Mr T Corcoran, District Auditor (Audit Commission).
G. Harrison, A. Evans and A. O'Connor (Audit Services)

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APOLOGY FOR ABSENCE

An apology for absence from the meeting was submitted on behalf of Councillor J R Davies.

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DECLARATIONS OF INTEREST

Councillor Hill declared a personal interest, in accordance with the Members' Code of Conduct, in Agenda Item 14 – Exceptions to Standing Orders, in view of him being a governor at the school indicated in the second paragraph of appendix 1 to that item.

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MINUTES

RESOLVED

That, the Minutes of the Committee held on 29th June, 2009 be approved as a correct record and signed.

EXTERNAL AUDITORS ANNUAL GOVERNANCE REPORT 2008/09

A report of the Interim Director of Finance was submitted on the auditor's Annual Governance Report 2008/09, together with the formal Management Representation Letter to the Auditor. A copy of the Annual Governance Report and letter was appended to the report submitted.

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

Arising from the presentation of the report and Appendices to the report, submitted the District Auditor responded to questions asked and with regard to queries raised by Councillor Ali regarding the managing of resources the Interim Director of Finance indicated that the information requested would be submitted to a future meeting of the Committee.

RESOLVED

- (1) That the information contained in the report, and Appendices to the Report, submitted on the Auditor's Annual Governance Report 2008/09 be accepted.
- (2) That approval be given to the Letter of Representation as attached to the report submitted and that the Chairman sign and date the letter so as to give evidence of the approval given.

AMENDMENTS TO STATEMENT OF ACCOUNTS 2008/09

A report of the Interim Director of Finance was submitted on amendments made to the Statement of Accounts for 2008/09 since the initial presentation to the June meeting of the Committee

RESOLVED

That approval be given to the changes in the Statement of Accounts for 2008/09 as set out in the report submitted and that the Chairman sign and date the accounts, so as to give evidence of the approval given.

TREASURY MANAGEMENT

A report of the Interim Director of Finance was submitted outlining treasury activity between April 2008 and August 2009.

RESOLVED

- (1) That the treasury management activity as set out in the report, be noted and referred to the Council.
- (2) That, approval be given for treasury management training to be arranged for the Cabinet Member for Finance and for the Chairman and other members of the Audit Committee.

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AUDIT COMMITTEE BENCHMARKING REPORT

A report of the Interim Director of Finance was submitted on the information on Audit Committee practice identified via consultation with other Heads of Audit at the Midland Audit Group.

RESOLVED

- (1) That the information contained in the report, and Appendix to the report submitted be noted.
- (2) That approval be given to the introduction of interim progress reports on Audit Services activities, for submission to the September and February meetings of the Committee.

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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 the Employee Improvement and Disciplinary Procedure	2 and 7
Annual Audit Report in Relation to the Directorate of the Urban Environment.	2 and 7
Annual Audit Report in Relation to the Directorate of Finance, ICT and Procurement.	2 and 7

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

A report of the Interim Director of Law, Property and Human Resources was submitted on the number of employees, by directorate, who were currently suspended pending an investigation into allegations of gross misconduct.

Arising from the presentation of the report submitted, by the Interim Director of Law, Property and Human Resources, a number of comments were made relating in particular to:-

- the need for a periodic report on suspensions to be submitted to future meetings of the Committee;
- that the periodic report include additional information arising from requests made indicating the reasons for suspensions and numbers of cases where an investigation had been delayed at the request of the Police;
- the Director of Law, Property and Human Resources or the Assistant Director of Legal and Democratic Services to decide on requests from Police to delay investigations for any cases other than fraud and the Head of Audit to decide on Police requests to delay investigations into fraud;
- the possible use of Assistant Directors, with appropriate knowledge in investigating cases in divisions other than their own be explored so as to possibly reduce the delays caused by unavailability of the Assistant Director responsible for the service.

In response to a further comment by a Member, the Interim Director of Law, Property and Human Resources confirmed that the Member Performance Panel and Cabinet receive reports quarterly regarding sickness absence.

RESOLVED

- (1) That the information contained in the report submitted be noted.
- (2) That approval be given to the introduction of an annual progress report on employee suspensions with the annual audit report on the Directorate of Law, Property and Human Resources and the next report will be submitted to the June 2010 meeting of the Committee.

ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF THE URBAN ENVIRONMENT.

A report of the Interim Director of Finance was submitted on the audit work undertaken in the Directorate of the Urban Environment 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 Members made a number of comments relating in particular to:

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- Letters drafted arising from a review of new appointments at Lister Road.

The Head of Audit would contact Councillor Ahmed on the number of such letters.

- Attendance records at the premises indicated in the last page of Appendix 4.

The Assistant Director (Culture and Leisure) and the Head of Audit Services indicated that they would give further consideration to the issues raised.

- Regarding a query raised about the number of grazing sites, the Assistant Director of Culture and Leisure would respond to the Member direct on this.

RESOLVED

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

ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF FINANCE, ICT AND PROCUREMENT

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

Arising from consideration of the report submitted, it was noted that a report on the ICT issues raised would be submitted to the February 2010 meeting of the Committee.

RESOLVED

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

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 December 2008 to June 2009 inclusive.

RESOLVED

That the information contained in the report submitted be accepted.

The meeting ended at 8. 07pm

CHAIRMAN