

AUDIT COMMITTEE

Thursday, 29th June, 2006, at 6pm
in Committee Room 3 at the Council House, Dudley

PRESENT:-

Councillor Burston (Chairman)
Councillor Ms Nicholls (Vice Chairman)
Councillors Ali, Attwood, Ms Boleyn, Kettle, Taylor and Waltho

Officers:-

Director of Finance, Director of Law and Property, , Mr L Bradshaw (Acting Head of Audit Services) and Mr G Harrison and Mr S Potter (Audit Managers), Mr S Turner (External Auditor), Technical Accountant, Principal Lawyer and Mrs M Johal (Directorate of Law and Property)

1 APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were submitted on behalf of Councillors J R Davies, Mrs Jordan and Tyler.

2 APPOINTMENT OF SUBSTITUTE MEMBERS

It was reported that Councillors Ms Boleyn and Waltho had been appointed as substitute members for Councillors Tyler and Mrs Jordan respectively for this meeting of the Committee only.

3 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.

4 MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 13th April, 2006, be approved as a correct record and signed.

5 CHANGE IN ORDER OF BUSINESS

RESOLVED

That agenda item number 11 followed by agenda item numbers 13 and 12 be considered as the first items of business.

6 EXCLUSION OF THE PUBLIC

RESOLVED

That the public be excluded from the meeting for the following items of business on the grounds that:-

- (a) 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
- (b) 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 No</u> |
|--|---------------------|
| Report Required Under Standing Order 3.2 | 2 and 7 |
| Annual Report on Audit Work in Relation to the Directorate of Law and Property | 2 and 7 |

7 ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF LAW AND PROPERTY

A report of the Director of Finance was submitted on audit work undertaken in the Directorate of Law and Property for the 2005/2006 financial year and incorporating details of the more important findings.

Arising from the presentation of the report particular emphasis was given to the number of applications that had been dealt with and the immense pressure in relation to complying with the Licensing legislation. It was asked that sincere thanks be conveyed to the Assistant Director (Legal and Democratic Services) and to the Licensing Officer for all their hard work in this regard.

RESOLVED

That the findings of the 2005/2006 audit work be accepted.

8 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 October 2005 to March 2006.

RESOLVED

That the information contained in the report submitted be noted.

9

STATEMENT OF ACCOUNTS 2005/06

A report of the Director of Finance was submitted on the Statement of Accounts for 2005/06 and on the progress of the audit of accounts.

Arising from the detailed presentation of the Statement of Accounts by the Director of Finance several queries were raised by Members in particular, it was queried why bad debts were going up. A query was also raised in connection with the West Midlands Passenger Transport Authority levy and the pooled budgets with Health Bodies. Details were requested on how the Substance Misuse pooled budget was charged and the contributions made by each partner. A breakdown of individual school reserves and what the money was due to be spent on was also requested.

The Director of Finance and the Technial Accountant undertook to respond direct to the Members concerned and to other Members of the Committee, if they wished, with full details.

RESOLVED

That approval be given to the Statement of Accounts, attached to the report submitted, for the 2005/06 financial year and that the Chairman sign and date the accounts.

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ANNUAL STATEMENT OF INTERNAL CONTROL

A report of the Director of Finance was submitted on the Annual Statement of Internal Control that was to be published with the accounts for the financial year 2005/2006.

RESOLVED

- (1) That the information contained in the report, and Appendix to the report, submitted on the Annual Statement of Internal Control, be accepted.
- (2) That approval be given to the submission of the Statement of Internal Control for signature by the Chief Executive and the Leader of the Council.
- (3) That the concept of a corporate group to assist in the preparation of the Statement of Internal Control be endorsed.

INTERNAL AUDIT SERVICES ANNUAL REPORT 2005/06

A report of the Director of Finance was submitted on an overview of the performance of Dudley Audit Services in the year to 31st March 2006, and to inform the Committee of the Head of Audit Services' opinion on the effectiveness of the Council's system of internal control.

Arising from the presentation of the report the Chairman, on behalf of the Committee, commended and thanked all employees involved for achieving 93% of the planned work even though the Audit Division had suffered from staff sickness and vacancies.

RESOLVED

That the information contained in the report, and Appendices to the report submitted on the performance of Internal Audit Services in 2005/06 be approved together with the opinion of the Head of Internal Audit on the effectiveness of the Council's system of internal control.

AUDIT CHARTER

A report of the Director of Finance was submitted on the background to a new Audit Charter, which would formally set out the accepted practice.

RESOLVED

That the information contained in the report, and Appendix to the report, submitted on a new Audit Services Charter, be endorsed.

RISK MANAGEMENT UPDATE

A report of the Director of Finance was submitted on the outcomes of the Risk Management Awareness Seminar held on 13th April, 2006, which had been facilitated by Brian Rowland of the Audit Commission and attended by Members of the Committee and the Cabinet and also informing on immediate risk management plans and training proposals. The report also gave information on monitored risks in accordance with the reporting regime that was presented to the Committee in 2005.

RESOLVED

That the information contained in the report, and Appendix to the report, submitted on a risk management update, be noted.

The meeting ended at 7.55 pm

CHAIRMAN

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