

AUDIT COMMITTEE

Tuesday, 29th July, 2003, at 6.00 p.m.

PRESENT:-

Councillor J R Davies (in the Chair)
Councillors Burston, Ms Craigie, Kettle, Lomax, Ms Nicholls, Rahman, Turner and Whitehouse, together with the Director of Finance, Assistant Director of Education (Resources and Planning), Ms F Hayward (Building and Estates Manager – Directorate of Education and Lifelong Learning), Assistant Director, Legal and Democratic Services (Directorate of Law and Property), Head of Audit Services, Mr S Potter (Audit Manager) and Mr J Jablonski (Directorate of Law and Property)

1 WELCOME

The Chair welcomed Members, particularly those new to the Committee, to this the first meeting of the Committee in the current municipal year.

2 MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 15th April, 2003, be approved as a correct record and signed.

3 DECLARATIONS OF INTEREST

Declarations of Personal Interest, in accordance with the Members' Code of Conduct were made by the following Members in respect of agenda item number 11 (Annual Audit Report in relation to the Education and Lifelong Learning Directorate) for the reasons indicated:-

Councillor Burston – as a Governor of Earls High School

Councillor Rahman – as a Governor of Highgate Primary and Northfield Road Schools

Councillor Whitehouse – as a Governor of Netherton Church of England School, as a trustee of Dudley Church of England Schools Foundation and in view of the occasional employment of his daughter as a nursery nurse in schools in the Borough.

INTERNAL AUDIT SERVICES ANNUAL REPORT 2002/2003

A report of the Director of Finance was submitted on an overview of the performance of Internal Audit Services in the year to 31st March, 2003.

Arising from consideration of the content of the report it was noted that despite difficulties with recruitment which meant that the full establishment of Internal Audit, sixteen, was down by the equivalent of two thirds of a post for the year they still managed to complete 95% of their planned work. It was agreed that the congratulations of the Committee for a job well done be recorded.

Following the exclusion of the public the Head of Audit Services informed the Committee about the six special investigations into irregularities that had been undertaken.

RESOLVED

That the information contained in the report submitted, on the performance of Internal Audit Services in the year to 31st March, 2003, be noted and accepted.

PROGRESS ON THE IMPLEMENTATION OF CORPORATE RISK MANAGEMENT

A report of the Director of Finance was submitted on the progress to date in implementing the Council's Risk Management Strategy.

RESOLVED

- (1) That the information contained in the report, and appendix to the report, submitted on the progress to date in implementing the Council's Risk Management Strategy be noted and that further progress reports be submitted to future meetings of this Committee.
 - (2) That following completion of a corporate risk register the Director of Finance be requested to submit a report to a subsequent meeting of this Committee identifying any high risk issues identified for consideration by the Committee.
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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> |
|--|---|
| Contracts reported under Standing Order 29.4 – further information | 1 |
| Extension to existing building – response to Audit Committee | 1 |
| Annual Audit Report in relation to the Education and Lifelong Learning Directorate | 1 |
| Annual Audit Report in relation to the Finance Directorate | 1 |
| Reports required under Standing Orders relating to contracts | 1 |

CONTRACTS REPORTED UNDER STANDING ORDER 29.4 – FURTHER INFORMATION

A report of the Director of Finance was submitted on the further information requested by Members on three contracts previously reported to this Committee as required under Standing Order 29.4. Details about the contracts were set out in an attached memorandum to the report submitted.

RESOLVED

That the information contained in the report, and memorandum to the report, submitted on three contracts previously reported to this Committee, as required under Standing Order 29.4, be noted.

EXTENSION TO EXISTING BUILDING – RESPONSE TO AUDIT COMMITTEE

A report of the Director of Education and Lifelong Learning was submitted on further information requested by Members about the tendering process for this project.

RESOLVED

That the information contained in the report submitted, on the tendering process for a project involving an extension to an existing school building, be noted.

ANNUAL AUDIT REPORT IN RELATION TO THE EDUCATION AND LIFELONG LEARNING DIRECTORATE

A report of the Director of Finance was submitted summarising the audit work undertaken within the Education and Lifelong Learning Directorate for the 2002/2003 financial year and incorporating details of the more important findings.

During the detailed consideration given to the content of the report, and its four appendices, Members sought further clarification in relation to issues raised in respect of Neighbourhood Learning Centres, which it was noted would also be an issue to be considered by the Select Committee on Lifelong Learning; the Ethnic Minority Achievement Service; Catering – External Contracts and in respect of the Astley Burf Centre which it was emphasised was considered to be a facility worthy of support and that no criticism of the facility was being implied by the consideration being given to that matter.

RESOLVED

- (1) That the findings of the audit work for 2002/2003 be accepted.
- (2) That, in addition to the consideration to be given by the Select Committee on Lifelong Learning, a report on Neighbourhood Learning Centres also be submitted to a meeting of this Committee in approximately six months time and include the relevant financial information.

- (3)(a) That the Internal Audit Services be requested to carry out a further audit of the Ethnic Minority Achievement Service in September/October, 2003, with a view to looking at the audit recommendations made in the report submitted relating to that service so as to ascertain the progress made in implementing the recommendations and that a joint report, with the Director of Education and Lifelong Learning, be submitted to a meeting of this Committee to be held prior to the end of this calendar year; and
 - (b) That the report to be submitted also include consideration of mechanisms to be introduced so as to ensure that further projects on the interface between communities and Directorates do not give rise to the audit findings and recommendations set out in the report submitted for the similar projects indicated.
 - (4) That further consideration be given by this Committee to the Catering Service arising from the completion of the audit currently being undertaken and issues arising from the consideration given to the external contracts entered into by the Catering Service.
 - (5) That the Director of Education and Lifelong Learning be requested to submit a report to the next meeting of this Committee on the current charging policy for pupils attending the Astley Burf Centre and on the implementation and implications of that policy.
 - (6) That, if necessary, special meetings of this Committee be held to consider the reports indicated above.
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ANNUAL AUDIT REPORT IN RELATION TO THE FINANCE DIRECTORATE

A report of the Director of Finance was submitted summarising the audit work undertaken within the Finance Directorate for the 2002/2003 financial year and incorporating details of the more important findings.

Arising from the consideration given to the content of the report, and appendices to the report, submitted it was

RESOLVED

- (1) That the findings of the audit work for 2002/2003 be accepted.

- (2) That the Director of Finance be requested to submit a report to a future meeting of this Committee on the implementation and maintenance of a register of potentially violent people covering all Directorates of the Council.
 - (3) That the Director of Finance be requested to submit a report to a future meeting of this Committee on the issue of data protection and the work of the Data Protection Officer.
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REPORTS REQUIRED UNDER STANDING ORDERS RELATING TO CONTACTS

A report of the Director of Finance was submitted on cases arising under Standing Orders 3.2, 5.2 and 29.4, requiring a report to this Committee. This was the second such report to the Committee and covered the period from November, 2002 to March, 2003 inclusive. Details of relevant cases were outlined in Appendices A and B attached to the report submitted.

RESOLVED

That the information contained in the report, and appendices to the report, submitted on cases arising under Standing Orders relating to contracts, be noted.

The meeting ended at 8.00pm

CHAIR