

## **AUDIT COMMITTEE**

Wednesday, 25<sup>th</sup> September, 2008 at 6pm  
in Committee Room 3 at the Council House, Dudley

### **PRESENT:-**

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

### **Officers:-**

Director of Finance, Assistant Director of Law and Property, Head of Audit Services, Ms A Evans and Ms Sharon Downen (Principal Auditors), Mr G Harrison and Mr S Potter (Audit Managers), Ms P Rushen General Manager (Resources/Catering and Client Services), and Miss K Fellows (Directorate of Law and Property)

### **Also in attendance:-**

Mr T Corcoran District Auditor and Simon Turner Audit Manager, (Audit Commission).

---

13

### **CHAIRMANS REMARKS**

The Chairman welcomed the representatives from the Audit Commission to the meeting who were in attendance for Agenda Item No 7.

---

14

### **APOLOGIES FOR ABSENCE**

Apologies for absence from the meeting were submitted on behalf of Councillors J R Davies and Mrs D Harley and Mr G Thomas Head of Policy, (Corporate Policy and Research).

---

15

### **APPOINTMENT OF SUBSTITUTE MEMBERS**

It was reported that Councillor Vickers had been appointed as a substitute member for Councillor Mrs D Harley for this meeting of the Committee only.

---

16

### **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.

---

---

17

MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 25<sup>th</sup> June, 2008 be approved as a correct record and signed.

---

18

CHANGE IN ORDER OF BUSINESS

Pursuant to Council Procedure Rule 13(c), it was

RESOLVED

That agenda item Numbers 6 and 7 be considered as the next items of business

---

19

AMENDMENTS TO STATEMENT OF ACCOUNTS 2007/08

A report of the Director of Finance was submitted on amendments made to the Statement of Accounts for 2007/08 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 2007/08 financial year 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.

---

20

AUDITOR'S ANNUAL GOVERNANCE REPORT 2007/08

A report of the Director of Finance was submitted on the auditor's Annual Governance Report together with the formal Management Representation Letter to the Auditor.

During the presentation of the Report, the Director of Finance reported that there was to be a change to the report by the insertion of an additional paragraph, to paragraph 5 on page 1 under the heading "Annual Governance Report 2007". A copy of the wording of the paragraph was circulated at the meeting.

RESOLVED

- (1) That the insertion of an additional paragraph to paragraph 5 on Page 1 of the report be endorsed.
- (2) That the information contained in the amended report and Appendices to the Report, submitted on the Auditor's Annual Governance Report 2007/08 be accepted.

- (3) 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.

---

21

TREASURY MANAGEMENT

A report of the Director of Finance was submitted outlining treasury activity between April 2007 and August 2008, and to propose amendments to the criteria for approved investments as set out in the Annual Investment Strategy at Appendix 2 to the report.

RESOLVED

That the treasury management activity as set out in the report be noted and approval be given to the revised Annual Investment Strategy set out in Appendix 2 to the report and for it be referred to Council for approval in accordance with the Treasury Policy Statement and Treasury Management Practices.

---

22

EXCLUSION OF THE PUBLIC

RESOLVED

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>
Annual Audit Report in Relation to the Directorate of Children's Services	2 and 7
Annual Audit Report in Relation to the Directorate of Finance, ICT and Procurement.	2 and 7
Report Required under Standing Orders 3.2 and 9.8.	2 and 7

---

## ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF CHILDREN'S SERVICES

---

A report of the Director of Finance was submitted on the audit work undertaken in the Directorate of Children's Services for 2007/2008 financial year and incorporating details of the more important findings.

Arising from the presentation of the report several Members queried the action that would be taken should the recommendations contained in the report not be implemented. In responding the Head of Audit Services reported that every Directorate had a nominated Officer, who would ensure that the recommendations were implemented. He assured the Members that the recommendations were being taken seriously by every Directorate and this had resulted in the number of recommendations reducing.

In responding to a question by Councillor Ahmed in relation to the Criminal Records Bureau checks, the Resources Catering and Client Services General Manager reported that due to the large number of employees in the Directorate, existing employees continued to be checked in batches of 10 each month, as to check higher numbers would saturate the system. It was also reported that all new employees continued to be checked by the Criminal Records Bureau.

In responding to a further question raised by Councillor Ahmed, it was further reported that monies had been identified to recruit the Administration support for the Child Death Review Panel.

### RESOLVED

That the findings of the 2007/2008 audit work be accepted.

---

---

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

---

A report of the Director of Finance was submitted on audit work undertaken in the Directorate of Finance, ICT and Procurement for the 2007/2008 financial year and incorporating details of the more important findings.

Following an observation made by Councillor Kettle in relation to previous recommendations and the timing of follow up action, to ensure that the recommendations had been implemented, in responding the Head of Audit Services advised that an additional column could be added to the High Recommendations table, headed "Management Arising". This column would detail what action had been taken to implement the recommendations.

It was reported by Mr S Potter, (Audit Manager) that follow up action would be taken every six months in relation to the high recommendations to ascertain what action had been taken to implement the recommendations.

The Director of Finance updated the Committee in relation to Business Continuity Planning referred to in Appendix 3 of the Report. It was reported that the relocation of Tower Street was virtually complete.

It was further reported that the servers had been relocated to the Basement in Ednam Road, as a temporary measure, although this was far from ideal and alternative locations for the servers would continue to be looked into.

Councillor Kettle referred to Appendix 4 of the Report and requested confirmation of the monetary value of the cheques that had not been presented in the previous six months.

#### RESOLVED

- (1) That the findings of the 2007/2008 audit work be accepted.
- (2) That the Head of Audit Services will discuss possible additional reporting on unimplemented recommendations with the Chairman of the Audit Committee, and be requested to provide a verbal update on the position regarding implementation of the high recommendations contained in Appendix 3 of the Report to the February meeting of the Committee.
- (3) That the Director of Finance be requested to provide a verbal response to the next meeting of the committee in February, confirming the monetary value of the un-presented cheques over the preceding six months, as referred to in the Bank Recommendations section of Appendix 4 of the Report.

---

25

#### REPORT REQUIRED UNDER STANDING ORDER 3.2 AND 9.8.

A report of the Director of Finance was submitted on the cases arising under Standing Order 3.2 and 9.8 for the period November 2007 to April 2008 inclusive.

#### RESOLVED

That findings of the report be noted and accepted.

The meeting ended at 7.25 pm  
CHAIRMAN

