

AUDIT AND STANDARDS COMMITTEE

Thursday, 14th February, 2013 at 6.00 p.m.
in Committee Room 3, The Council House, Dudley

PRESENT:-

Councillor Zada (Chair)
Councillor Arshad (Vice-Chair)
Councillors Branwood, Burston, Cowell, Hill, Taylor, Tyler and Mrs. Westwood.

Officers

Director of Corporate Resources, Treasurer, Head of Audit Services, Head of Accountancy, Audit Manager and Principal Auditors (All Directorate of Corporate Resources); Director of Adult, Community and Housing Services, Assistant Director, Housing Strategy and Private Sector and Review and Improvement Consultant (All Directorate of Adult, Community and Housing Services); Assistant Director, Quality and Partnership, Assistant Director, Education Services, Assistant Director, Children and Families, Divisional Lead, Safeguarding and Review and Divisional Manager - Business Support (All Directorate of Children's Services) and Mrs K Taylor (Directorate of Corporate Resources).

Also in Attendance

Mr S Turner (Audit Manager) (Grant Thornton)

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DECLARATIONS OF INTEREST

Councillor Zada declared a non-pecuniary interest, in accordance with the Members' Code of Conduct, in Agenda Item 14 – Annual Audit Report in Relation to Children's Services, in view of him being a Governor at the Northfield Road Primary School, and an employee of the Black Country Partnership Foundation Trust in respect of Children's Services.

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CHANGE IN ORDER OF BUSINESS

Pursuant to Council Procedure Rule 13(c) it was:-

RESOLVED

That the remaining items of business be considered in the following order:-

Agenda Item No's 13, 14, 15, 4, 5, 6 7, 8, 9 and 10.

EXCLUSION OF THE PUBLIC

That the public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of 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>Description of Item</u>	<u>Relevant Paragraph of Part I of Schedule 12A</u>
Annual Audit Report in relation to the Directorate of Adult, Community and Housing Services	2 and 7
Annual Audit Report in relation to the Directorate of Children's Services	2 and 7
Audit Services Interim Performance Report	2 and 7

ANNUAL AUDIT REPORT IN RELATION OF THE DIRECTORATE OF ADULT, COMMUNITY AND HOUSING SERVICES

A report of the Treasurer was submitted on the audit work undertaken in the Directorate of Adult, Community and Housing Services for the financial year 2011/12 and incorporating details of the more important findings as indicated in Appendices 2 and 3 to the report submitted.

Arising from consideration of the report, and Appendices to the report, submitted Members asked a number of questions and made comments which were responded too, in particular in respect of the management responses highlighted in the report.

In response to concerns raised in regard to monitoring staff timesheets, in particular the possibility of implementing timesheets against a rolling programme in order to set a realistic target, the Head of Audit Services undertook to investigate further in consultation with the Assistant Director, HR and Organisational Development. It was important that in a time of reducing resources that all Officers demonstrated a pragmatic approach to improving systems.

In responding to a question, the Director of Adult, Community and Housing Services undertook to provide Councillor Taylor with the further details requested at the meeting in relation to the introduction of a policy for deceased clients balances.

It was noted that the Chair considered that although the report was positive, improvements would need to be made in order to reduce the number of breaches and unimplemented recommendations in the future. The Director of Adult, Community and Housing Services assured the Committee that the findings of the audit were taken seriously and any concerns or issues would be addressed.

RESOLVED

That the findings of the 2011/12 audit work be accepted.

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

A report of the Treasurer was submitted on the audit work undertaken in the Directorate of Children's Services for the financial year 2011/12 and incorporating details of the more important findings as indicated in Appendices 2 and 3 to the report submitted.

Arising from consideration of the report, and Appendices to the report, submitted concerns were raised about the number of unimplemented recommendations for the Directorate and Schools. The Head of Audit Services informed the Committee that during 2011/12, there were a large number of audits undertaken, which had resulted in additional recommendations, and that management letters had been sent to Head Teachers highlighting the findings of the audit.

Following concerns raised, the Assistant Director, Quality and Partnership informed the Committee that the findings of the audit had been a reflection of the amount of pressure within the Directorate in view of the reductions in the budget and staff, and the increase in demands.

Members asked a number of questions and made comments which were responded too, in particular in respect of the management responses highlighted in the report.

The Head of Audit Services informed the Committee that a further report would be submitted to the April meeting to provide a progress report on action taken by the Directorate.

In responding to a question, the Assistant Director, Quality and Partnership undertook to provide Councillor Taylor with the further details requested at the meeting in relation to the supplier details of the purchases of alcoholic beverages.

It was noted that the Chair considered that although the Directorate had a challenging year the Directorate had still provided a good service, and that improvements would need to be made in order to reduce the number of breaches and unimplemented recommendations in the future.

RESOLVED

That the findings of the 2011/12 audit work be accepted.

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AUDIT SERVICES INTERIM PERFORMANCE REPORT

A report of the Treasurer was submitted on an update on Audit Services performance and other related information.

Arising from the presentation of an updated report and Appendix to the report, which had been circulated at the meeting, the Head of Audit Services stated that Audit Services had completed 71% of the audit plan against a target of 70%.

In responding to a question by a member, the Head of Audit Services provided a breakdown of efficiency savings in respect of Value for Money.

Arising from the content of the report, the Chair commented on the very good report, in particular on the significant improvement in relation to finalising audit reports within six weeks of the draft report being issued.

Arising from a discussion on the level of assurance provided by Audit, the Head of Audit Services informed the Committee that the Annual Plan report due to be submitted to the April meeting would include a report on assurance mapping. This would provide details on how Audit Services plans fit into an overall corporate assurance model.

RESOLVED

That the information contained in the report, and Appendix A to the report, submitted, be noted.

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MINUTES

RESOLVED

That the minutes of the meeting held on 20th September, 2012 be approved as correct records and signed.

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ANNUAL AUDIT LETTER 2011/12

A joint report of the Chief Executive and the Treasurer was submitted on the Audit Commission's Audit Letter for 2011/12. A copy of the letter was appended to the report submitted.

Mr S Turner, Audit Manager, was in attendance at the meeting and presented the report and appendices to the report submitted, and issued an unqualified opinion.

It was noted that Mr Turner had transferred to Grant Thornton UK LLP following their appointment as the Council's external auditor.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the Annual Audit Letter 2011/12 be noted.

34 EXTERNAL AUDITOR REPORT: CERTIFICATION WORK 2011/12

A report of the Treasurer was submitted on the external auditor's Annual Report on Certification of Claims and Returns for 2011/12. A copy of the Annual Report was attached as an Appendix to the report submitted.

Mr Turner was in attendance at the meeting and commented in particular that the Council continued to submit claims and returns on time; however improvements were required in areas such as the teacher's pension return and the housing and council tax benefit claim.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the Annual Report on Certification of Claims and Returns for 2011/12 be noted.

35 GRANT THORNTON – FEE LETTER 2012/13

A report of the Treasurer was submitted on the planned audit fee for 2012/13 by the Council's external auditor, Grant Thornton. A copy of the letter was attached as an Appendix to the report submitted.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the audit fee for 2012/13 be noted.

36 REVIEW OF RISK MANAGEMENT ACTIVITIES IN 2012 AND PRIORITIES FOR 2013/14

A report of the Treasurer was submitted on the key developments in the Council's risk management and insurance activities in the preceding 12 months and the key priorities for 2013/14.

In presenting the report submitted the Head of Accountancy informed the Committee that two new Corporate risks had been added since the report presented to the Committee in February, 2012, in respect of the risk of fraud across all areas of its operations and the transfer of Public Health responsibilities to the Council.

RESOLVED

That the information contained in the report, and Appendix 2 to the report, submitted be noted and that the Risk Management Strategy and Guidance, set out in Appendix 1 to the report submitted, be approved..

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TREASURY MANAGEMENT REPORT

A report of the Treasurer was submitted on treasury activity during the financial year 2012/13, up to December, 2012, and also seeking approval of the Treasury Strategy Statement 2013/14.

Arising from the presentation of the report, and the Appendices to the report, the Head of Accountancy stated that a training session on Treasury Management would be arranged for members of the Committee. Members commented that it would be beneficial to arrange the training session in early summer so as to allow more members to attend the training given that the membership of the Committee may change in May, 2013.

RESOLVED

That, subject to the approval of Council:-

1. (a) Treasury Management activities in 2012/13, as outlined in the report submitted be noted.
- (b) The Treasury Strategy 2013/14, attached as Appendix 2 to the report submitted, be approved.
- (c) The Treasurer be authorised to effect such borrowings, repayments and investments as were appropriate and consistent with the approved Treasury Strategy and relevant guidance.

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ANNUAL REPORT OF THE COMMITTEE ON STANDARDS IN PUBLIC LIFE 2011/12

A report of the Monitoring Officer was submitted on the annual report of the Committee on Standards in Public Life 2011/12.

Arising from the presentation of the report and Appendices to the report, submitted, the Director of Corporate Resources referred to Appendix 2 of the report submitted which highlighted the proposed changes of the seven principles of public life to be updated in the Members' Code of Conduct

RESOLVED

1. That the Annual Report of the Committee on Standards in Public Life, attached as Appendix 1 to the report submitted, be noted.
2. That the Council be recommended to authorise the Director of Corporate Resources to update the Members' Code of Conduct and any other references in the Constitution or associated documentation to include the revised wording of the seven principles in public life, attached as Appendix 2 to the report submitted.

The meeting ended at 8.00 p.m.

CHAIR