

AUDIT AND STANDARDS COMMITTEE

Thursday, 25th April, 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 (From Minute No. 41), Cowell, Hill,
Taylor, Tyler (From Minute No. 41) and Mrs. Westwood.

Officers

Treasurer, Head of Audit Services, Head of Accountancy, Audit Manager,
Principal Auditors and Mrs K Taylor (All Directorate of Corporate
Resources).

Also in Attendance

Mr S Turner (Audit Manager) (Grant Thornton)
Councillor S. Turner (Observer)

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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.

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MINUTES

During consideration of the minutes, reference was made to the
preamble to minute 29, in particular, that Councillor Taylor had not
received a response from the Director of Adult, Community and Housing
Services in relation to the introduction of a policy for deceased clients
balances.

RESOLVED

That the minutes of the meeting held on 14th February, 2013 be
approved as a correct record and signed.

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GRANT THORNTON AUDIT AND STANDARDS COMMITTEE UPDATE

A report of the Treasurer was submitted on a report published by Grant
Thornton updating members on progress in delivering their
responsibilities as Dudley's external auditors. Attached as Appendix A
was a list of the questions that Grant Thornton believed Audit and

Standards Committee members should consider and the management responses.

Mr Turner, Audit Manager, presented the report and appendix to the report submitted and commented in particular that the purpose of the report was to report progress and highlight emerging national issues.

Mr Turner further reported that the audit was on track, and that a report outlining the final results would be submitted to the September meeting of the Committee.

RESOLVED

That the information contained in the report, and Appendix to the report, submitted on an Audit and Standards Committee Update published by the Grant Thornton, be noted.

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CONFIDENTIAL REPORTING POLICY

A report of the Monitoring Officer was submitted on the monitoring of the operation of the Council's Confidential Reporting Policy.

The Treasurer in his presentation of the content of the report and Appendix 1 to the report submitted, which was a copy of the Policy, commented that there had been no incidents of use of the Policy by staff reported this year for any of the Directorates.

Arising from the presentation given Members asked a number of questions and made comments which were responded too, in particular in respect of the various avenues where employees could report any issues and the support available for those reporting serious allegations.

RESOLVED

That the information contained in the report, and Appendix to the report, submitted on the outcome of the recent monitoring of the Confidential Reporting Policy, be noted.

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UPDATE ON ANNUAL AUDIT REPORT – DIRECTORATE OF CHILDREN'S SERVICES

A verbal update was given by the Head of Audit Services updating members in relation to the Annual Audit Report of the Directorate of Children's Services submitted to the previous meeting of the Committee.

Arising from the presentation given, the Head of Audit Services informed the Committee that he had received assurances from the Directorate of Children's Services in relation to monitoring actions, and that a number of actions had been taken in order to address the issues raised at the previous meeting.

RESOLVED

That the information reported on be noted.

44. AUDIT PLAN FOR THE PERIOD 2013/14

A report of the Treasurer was submitted on the work that the Audit Services Division planned to undertake during the period from 1st April, 2013 to 31st March, 2014, further details of which together with the Audit Charter and Audit Strategy were appended to the report submitted.

The Head of Audit Services highlighted one discrepancy in Appendix B to the report in that the figure for the number of Audits in 13/14 should be 167.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted be noted and that the Audit Plan for the period 2013/2014, as set out in Appendix A together with the Audit Charter and Audit Strategy as set out in Appendices C and D to the report submitted be approved.

45. REVIEW OF THE CODE OF CORPORATE GOVERNANCE

A report of the Treasurer was submitted providing a short history on the Code of Corporate Governance in the Council and on the result of a review of the Code of Corporate Governance. A copy of the revised Code of Corporate Governance was appended to the report submitted.

RESOLVED

- (1) That the information contained in the report, and Appendix to the report, submitted be noted.
 - (2) That the revised Code of Corporate Governance, attached as Appendix A to the report submitted, be approved.
 - (3) That the Director of Corporate Resources be authorised to take the necessary action to incorporate the revised Code into the Constitution.
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46. COMMITTEE BENCHMARKING REPORT

A report of the Treasurer was submitted on a comparison of the practices of the Committee with other Black Country Authorities and Birmingham, which was appended to the report submitted.

RESOLVED

- (1) That the information contained in the report, and Appendix to the report, submitted be noted.
- (2) That the Committee receive information on assurance mapping.
- (3) That Directors or their nominated Assistant Director representatives be required to attend to give explanations if and when “minimal” or “nil” assurance reports have not improved, that is, if the rating had not improved at follow up visit(s).
- (4) That a work plan report be introduced setting out scheduled agenda items for the Committee at the first meeting of the Committee in the next and subsequent Municipal years.
- (5) That the Committee receive reports on the Corporate Risk Register at three meetings per year and that a specific risk in each report be identified to focus on.
- (6) That the frequency of meetings of the Committee be increased from four to five per year.

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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> |
|---------------------------------------|---|
| Report required under Standing Orders | 2 and 7 |
| Audit Services Annual Fraud Report | 2 and 7 |

48.

REPORT REQUIRED UNDER STANDING ORDERS

A report of the Treasurer was submitted on any instances arising under Standing Order 3.2 and 9.8 during the period July to December, 2012 inclusive.

RESOLVED

That the information contained in the report submitted be noted.

49. AUDIT SERVICES ANNUAL FRAUD REPORT

A report of the Treasurer was submitted on the work that the Audit Services Division had undertaken and was planning to undertake on the issue of fraud, and on the work of the Benefit Fraud Team. The Audit Services Fraud Action Plan, a checklist for those responsible for governance to assess their organisation's approach to Fraud, details of special investigations, and a copy of the Anti-Fraud and Corruption Strategy were appended to the report submitted.

In presenting the report, the Head of Audit Services referred to the Fraud hotline, and that on average the division received two to three calls per weeks.

Arising from the presentation given Members asked a number of questions and made comments which were responded too, in particular in respect of the Benefit Fraud Team now nominally being part of a Single Investigation Service associated with the Department for Work and Pensions and, the support provided and monitoring of Personal Budgets.

Reference was made by a Member in relation to the comprehensive report submitted, and referred to the increase of fraud investigations and noted that further work was planned to improve detection of fraud.

RESOLVED

- (1) That the information contained in the report, and Appendices to the report, submitted, be noted.
- (2) That the Anti Fraud and Corruption Strategy, be approved, and that the Director of Corporate Resources be authorised to take the necessary action to incorporate the revised Strategy into the Constitution.

The meeting ended at 7.10 p.m.

CHAIR