

AUDIT COMMITTEE

Thursday, 20th September, 2007 at 6pm
in Committee Room 3 at the Council House, Dudley

PRESENT:-

Councillor Taylor (Chairman)
Councillor Kettle (Vice Chairman)
Councillors Ali, Attwood, Burston, J R Davies, Mrs Jordan, Ms Nicholls
and Tyler

Officers:-

Director of Finance, Assistant Director for Resources (Directorate of
Children's Services), Mr L Bradshaw (Head of Audit Services), Ms S
Downen and Ms A Evan (Principal Auditors), Mr G Harrison and Mr S
Potter (Audit Managers), Mr M Farooq (Principal Solicitor) and Mrs M
Johal (Directorate of Law and Property)

Also in attendance:-

Mr S Turner – External Auditor

13 CHAIRMANS REMARKS

The Chairman welcomed Mr Turner to the meeting who was in attendance for Agenda Item No 7. He also congratulated Mr Bradshaw on his new position as Head of Audit Services.

14 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.

15 MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 28th June, 2007, be approved as a correct record and signed.

16 TREASURY MANAGEMENT

A report of the Director of Finance was submitted outlining treasury activity between April 2006 and August 2007.

RESOLVED

That the treasury management activity as set out in the report be noted and referred to Council for approval in accordance with the Treasury Policy Statement and Treasury Management Practices.

17 STATEMENT OF ACCOUNTS 2006/07

A report of the Director of Finance was submitted on amendments made to the Statement of Accounts for 2006/07 since the initial presentation to the June meeting of the Committee.

RESOLVED

That approval be given to the change in the Statement of Accounts, attached to the report submitted, for the 2006/07 financial year and that the Chairman sign and date the accounts.

18 AUDITOR'S ANNUAL GOVERNANCE REPORT 2006/07

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.

RESOLVED

- (1) That the information contained in the revised report, and Appendices to the report, submitted on the Auditor's Annual Government Report 2006/07, be accepted.
 - (2) That approval be given to the Letter of Representation as attached to the revised report submitted and that the Chairman sign and date the letter.
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19 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>
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

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

A report of the Director of Finance was submitted on audit work undertaken in the Directorate of Children's Services for the 2006/2007 financial year and incorporating details of the more important findings.

Arising from the presentation of the report several Members expressed serious concern at the high number of breaches and unimplemented recommendations. In responding the Assistant Director for Resources acknowledged the seriousness of the situation and stated that two dedicated officers were being appointed to ensure that appropriate action was taken. He would also be sending a communication directive informing relevant people to ensure that all their staff were aware of the seriousness of the situation and that they should act accordingly.

During the ensuing discussion a Member indicated that some of the information contained in the report could be misinterpreted if the fuller picture was not given. In response to several queries, the Head of Audit Services undertook to provide further information regarding annual accounts for each Youth Centre and the Assistant Director for Resources undertook to provide details relating to the recommendation regarding unauthorised access to a particular Youth Centre. The Assistant Director for Resources also undertook to provide further information relating to car loans and to confirm whether details had been included in the newsletter.

Arising from discussions relating to the need to implement serious issues without delay and that an update should be provided to the Committee as soon as possible, the Head of Audit Services undertook to provide a verbal update on the position at the Seminar to be held in October. The Director of Finance also undertook to ensure that a further update report was submitted to the February meeting of the Committee.

RESOLVED

- (1) That the findings of the 2006/2007 audit work be accepted.

- (2) That the Assistant Director for Resources and the Head of Audit Services be requested to provide further information to Members of the Committee regarding annual accounts for each Youth Centre and to provide details relating to the recommendation regarding unauthorised access to a particular Youth Centre.
- (3) That the Assistant Director for Resources be requested to provide further information relating to car loans and to confirm whether details had been included in the newsletter to the Member concerned.
- (4) That the Head of Audit Services be requested to provide a verbal update on the position regarding implementation of the more serious issues at the Seminar to be held in October.
- (5) That a further update report be submitted to the February meeting of the Committee.

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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 2006/2007 financial year and incorporating details of the more important findings.

RESOLVED

That the findings of the 2006/2007 audit work be accepted.

The meeting ended at 7.25 pm

CHAIRMAN