

AUDIT COMMITTEE

Thursday 7th April, 2011 at 6pm
in Committee Room 2 at the Council House, Dudley

PRESENT: -

Councillor Taylor (Chairman)
Councillor Kettle (Vice Chairman)
Councillors Burston, J D Davies, Hill, Lowe, Ms Nicholls and Ms Partridge.

Officers: -

Treasurer and Head of Audit Services, Interim Assistant Director of Corporate Resources and Miss K Fellows (Directorate of Corporate Resources).

Also in Attendance:-

Mr S Turner (Audit Manager) (Audit Commission).
Mr G Harrison and Ms A Evans (Audit Services).

47 CHAIRMAN'S REMARKS

The Chairman welcomed the representative from the Audit Commission to the meeting who was in attendance for Agenda Item numbers 5 and 6.

48 APOLOGY FOR ABSENCE

An apology for absence from the meeting was submitted on behalf of Councillor Ahmed.

49 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.

50 MINUTES

RESOLVED

That the Minutes of the Meeting held on 10th February, 2011 be approved as a correct record and signed.

51 AUDIT COMMISSION AUDIT OPINION PLAN 2010/11

A report of the Treasurer was submitted on the External Auditor's Audit Opinion Plan for 2010/11. A copy of the plan was appended to the report submitted.

In responding to Members questions the Audit Manager indicated that in relation to the risk area and audit responses in relation to equal pay claims, these were based on a number of assumptions, with those assumptions being critically examined and in relation to redundancies it would be critical to ensure that these were accounted for within the correct financial year.

In responding to a further question from a Member, the Treasurer advised that in relation to the abolition of the Audit Commission there would be a consultation in relation to this, and he undertook to report on this at the next meeting of the Committee.

It was noted that Councillor Lowe wished to receive further information in relation to the consultation process as and when this was available.

RESOLVED

- (1) That the information contained in the report, and Appendices to the report, submitted, on the External Auditor's Audit Opinion Plan for 2010/11, be noted.
- (2) That the Treasurer be requested to report to the next meeting of the Committee in relation to the consultation regarding the abolition of the Audit Commission.

52

AUDIT COMMISSION ANNUAL REPORT ON CERTIFICATION OF CLAIMS AND RETURNS 2009/10

A report of the Treasurer was submitted on the Audit Commission's Annual Report on Certification of Claims and Returns for 2009/10. A copy of the annual report was appended to the report submitted.

In responding to a Member's question in relation to the errors referred to and recommendations made on page 33 of the agenda the Treasurer undertook to advise the Chairman of the Select Committee on Children's Services of these.

In responding to a further question from the same Member the Head of Audit indicated that the work of the Audit Commission would not be duplicated by the Council.

RESOLVED

- (1) That the information contained in the report, and Appendix to the report, submitted, on the Audit Commission's Annual Report on Certification of Claims and Returns for 2009/10, be noted.
 - (2) That the Treasurer be requested to advise the Chairman of the Select Committee of Children's Services of the errors and recommendations referred to on page 33 of the agenda submitted.
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AUDIT PLAN FOR THE PERIOD 2011/12

A report of the Treasurer was submitted on the work that the Audit Services Division planned to undertake during the period from 1st April, 2011 to 31st March, 2012, further details of which together with the Audit Services Charter and Audit Services Strategy were appended to the report submitted.

In responding to a Member's questions the Head of Audit Services indicated that with reference to the Audit Model, this was embedded into an Automated Planning System which considered amongst other things, results of the last Audit, materiality and risk. He also confirmed that the Council's redundancy process would be audited.

The Head of Audit Services undertook to provide Councillor Ms Partridge with supplementary information of the major and minor Audits and in relation to audits relating to data protection.

In responding to a question from a Member, the Head of Audit Services reported that Audits were carried out on the various Directorates in respect of, for example data protection and freedom of information requests, however not all Directorates were audited at the same time, with such audits forming a rolling plan.

He also confirmed that in relation to the above audits, these were compared and contrasted with the various Directorates.

RESOLVED

- (1) That the information contained in the report, and in the Appendices to the report, submitted be noted and that the Audit Plan for the period 2010/2011, 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.
- (2) That the Head of Audit Services be requested to provide Councillor Ms Partridge with the supplementary information requested in relation to audits.

REVIEW OF THE CODE OF CORPORATE GOVERNANCE

A report of the Treasurer was submitted on the history of 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 Code of Corporate Governance was appended to the report submitted.

In presenting the report submitted, the Head of Audit Services made particular reference to the Delivery of Good Governance document that had been circulated to Members.

In responding to a question from a Member in relation to Officers and Members working together, regarding the matters which were discussed at Scrutiny Committees in order that specific matters could be scrutinised thoroughly, the Head of Audit services indicated that this was a constitutional issue and the constitution would be reviewed annually by Democratic Services and the Monitoring Officer in any event.

RESOLVED

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

EXCLUSION OF THE PUBLIC

RESOLVED

That the public be excluded from the meeting for the following item of business, on the grounds that it involves 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>
Audit Services Annual Fraud Report.	2 and 7

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. A checklist for those responsible for governance to assess their organisation's approach to Fraud, details of special investigations, and a copy of the Counter Fraud Strategy April 2011 were appended to the report submitted.

In presenting the report, the Head of Audit Services referred to The Bribery Act 2010 and that the Ministry of Justice had published guidance in relation to the Act which would be implemented on 1st July, 2011. He stated that a briefing note in relation to the above had been circulated to the Director of Corporate Resources and the Treasurer in order that changes could be implemented by the Council in compliance with the Act.

In responding to a question from a Member the Head of Audit Services confirmed that the Fraud Newsletter referred to in the report, was circulated to all Members.

In response to a question from Councillor Kettle the Head of Audit Services undertook to review details of those Officers who had failed to complete the Fraud Survey that was referred to in paragraph 12 of the report submitted.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted, be noted and that the Counter Fraud Strategy, be approved.

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COMMENTS OF THE CHAIRMAN

This being the last scheduled meeting of the Committee in the current municipal year, the Chairman thanked Members and Officers for their help and support throughout the municipal year.

The meeting ended at 7pm

CHAIRMAN