

AUDIT COMMITTEE

Thursday, 19th April, 2012 at 6.00pm
in Committee Room 3 at the Council House, Dudley

PRESENT:-

Councillor Taylor (Chairman)
Councillor Hill (Vice Chairman)
Councillors Ahmed, Burston, Miss Cowell, Ms Partridge, S Turner (from Minute No. 42) and Mrs Westwood.

Officers:-

Treasurer, Head of Audit Services, Principal Auditor, Audit Manager and Mrs K Taylor (all Directorate of Corporate Resources)

Also in attendance:-

Mr S Turner, Audit Manager (Audit Commission)

35. APOLOGY FOR ABSENCE

An Apology for absence from the meeting was submitted on behalf of Councillor Lowe.

36. APPOINTMENT OF SUBSTITUTE MEMBER

It was reported that Councillor S Turner had been appointed as a substitute member for Councillor Lowe for this meeting of the Committee only.

37. 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.

38. MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 9th February, 2012 be approved as a correct record and signed.

39. AUDIT COMMISSION AUDIT OPINION PLAN 2011/12

A report of the Treasurer was submitted on the External Auditor's Audit Opinion Plan for 2011/12. A copy of the plan was appended to the report submitted.

Mr S Turner representative from the Audit Commission was in attendance at the meeting and presented the report and appendices to the report submitted.

Arising from the presentation of the report, and Appendix submitted to the report, the Audit Manager and Treasurer responded to questions asked by the Committee.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted, on the External Auditor's Audit Opinion Plan for 2011/12, be noted.

40. AUDIT COMMISSION ANNUAL REPORT ON CERTIFICATION OF CLAIMS AND RETURNS 2010/11

A report of the Treasurer was submitted on the Audit Commission's Annual Report on Certification of Claims and Returns for 2010/11. A copy of the annual report was appended to the report submitted.

Mr Turner, Audit Manager, presented the report and Appendices to the report submitted.

RESOLVED

That the information contained in the report, and the appendix to the report, submitted, on the Audit Commission's Annual Report on Certification of Claims and Returns for 2010/11, be noted.

41. AUDIT COMMISSION AUDIT COMMITTEE UPDATE

A report of the Treasurer was submitted on the report published by the Audit Commission to update Audit Committee members across local government, attached as Appendix A was a list of the questions that the Audit Commission believed Audit Committee members should consider and the management responses.

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

Mr Turner further reported that there were no concerns, and that since the writing of the report it had been confirmed that, Grant Thornton, had been awarded the contracts for audits for the West Midlands, following the abolition of the Audit Commission, therefore from 1st November, 2012, for a period of five years, that company would be responsible for carrying out the external auditing of the Council.

RESOLVED

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

42. AUDIT PLAN FOR THE PERIOD 2012/13

A report of the Treasurer was submitted on the work that the Audit Services Division planned to undertake during the period from 1st April, 2012 to 31st March, 2013, further details of which together with the Audit Charter and Audit Strategy were appended to the report submitted.

In responding to a question from a Member, the Head of Audit Services provided examples of ways in which income generating work could be developed via Schools and the Third Sector.

The Treasurer undertook to provide Councillor Ms Partridge with supplementary information in relation to the provision of audits to insurance services.

In responding to a question from a Member in relation to ensuring that all areas were being audited, the Head of Audit Services stated that the Audit Services Division consulted with Directors to seek any changes, and that they had access to a database system which includes details of all known systems, services, etc.

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 2012/2013, 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.
- (2) That the Treasurer be requested to provide Councillor Ms Partridge with the supplementary information requested in relation to insurance.

43.

REVIEW OF THE CODE OF CORPORATE GOVERNANCE

A report of the Treasurer was submitted on a short 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 revised Code of Corporate Governance was appended to the report submitted.

Reference was made to the columns highlighted in the revised Code of Corporate Governance, and the Head of Audit Services confirmed that the third column represented the existing content of the Code in terms of how the Council meet the requirements and commitments of the core principles and the fourth column represented the proposed wording.

In responding to a question from a Member, the Head of Audit Services undertook to submit a separate action plan highlighting actions that had both been and not been taken by the Council, at a future meeting of the Committee.

In responding to a question from a Member, the Head of Audit Services reported that the feedback received from consultation groups had been proactive.

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.
- (4) That the Head of Audit Services be requested to submit a further report, highlighting actions that had both been and not been taken by the Council, at a future meeting of the Committee.

44.

EXCLUSION OF THE PUBLIC

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>
Report required under Standing Orders	2 and 7
Annual Fraud Report	2 and 7

45. REPORT REQUIRED UNDER STANDING ORDERS

A report of the Treasurer was submitted on cases arising under Standing Order 3.2 and 9.8 during the period July to December 2011 inclusive.

RESOLVED

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

46. 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 National Fraud Authority (NFA) and that it had become a more predominant factor in local government.

Reference was made by a Member in relation to a recent case involving data sharing. The Treasurer undertook to investigate the matter further, and update Members.

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.

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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 7.25pm

CHAIRMAN