

## AUDIT COMMITTEE

Thursday 10<sup>th</sup> February, 2011 at 6pm  
in Committee Room 3 at the Council House, Dudley

### PRESENT: -

Councillor Taylor (Chairman)  
Councillor Kettle (Vice Chairman)  
Councillors Ahmed, Burston, Caunt, Ms Harris, Hill and Ms Nicholls.

### Officers:-

Treasurer, Head of Audit Services and Head of Accountancy (all Directorate of Corporate Resources) Director of Adult, Community and Housing Services, Assistant Director of Older People and Physical Disabilities and Review and Improvement Consultant (Directorate of Adult, Community and Housing Services) Assistant Director (Performance and Partnership), Head of Catering and Client Services and Divisional Manager Support Services – Children’s and Families (Directorate of Children’s Services) Assistant Director – Policy and Improvement (Chief Executives Directorate) and Mr J. Jablonski (Directorate of Corporate Resources).

### Also in Attendance:-

Mr T Corcoran (District Auditor)  
Messrs G. Harrison and S. Potter (audit Managers) Ms S. Downen and Ms A Evans (Principal Auditors) and Ms J Turner (Auditor).

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#### 34                    APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were submitted on behalf of Councillors J.D.Davies and Lowe.

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#### 35                    APPOINTMENT OF SUBSTITUTE MEMBER

It was reported that Councillors Caunt and Ms Harris had been appointed as substitute members for Councillors J D Davies and Lowe respectively for this meeting of the Committee only.

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#### 36                    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

RESOLVED

That, the Minutes of the Committee held on 23rd September, 2010 be approved as a correct record and signed.

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ANNUAL AUDIT LETTER 2010

A joint report of the Chief Executive and the Treasurer was submitted on the Audit Commission's Annual Audit Letter 2010. A copy of the letter was appended to the report submitted.

Mr Tony Corcoran, the District Auditor, was in attendance at the meeting and commented in particular on the positive annual audit letter submitted and the unqualified opinions given in respect of the Financial statements and value for money arrangements.

Arising from the presentation of the report, and Appendices to the report ,submitted the District Auditor responded to questions asked by the Committee.

Arising from the questions asked it was noted in particular that the Audit Commission was likely to continue until possibly 2013/14, and not December 2012, as previously reported; that local authorities would have the responsibility for arranging for tendering for external audit services arising from the demise of the Audit Commission and that there would be a rebate in the audit fee for 2010/11 with scope for some significant reductions in later years.

RESOLVED

That the information contained in the report, and Appendices to the Report, submitted on the Annual Audit Letter 2010 be noted.

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TREASURY MANAGEMENT

A report of the Treasurer was submitted outlining treasury activity in the year 2010/11 up to the end of December and seeking approval to the Treasury Strategy Statement 2011/12.

During his presentation of the content of the report, and Appendices to the report, submitted the Treasurer referred to paragraph 2.4 of Appendix 2 – the Treasury Strategy Statement 2011/12 – and commented on the impact the removal of the Council Housing subsidy system by the offer of a one-off redistribution of debt would have on treasury management. In view of this there would be a need to submit a revised treasury management statement in 2011/12. The report submitted was therefore very much a provisional statement.

#### RESOLVED

That, subject to the approval of Council:-

- (1) Treasury management activities in 2010/11, as outlined in the report submitted, be noted.
- (2) The Treasury Strategy 2011/12, attached as Appendix 2 to the report submitted, be approved.
- (3) 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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#### RISK MANAGEMENT

A report of the Treasurer was submitted on the key developments in the Council's risk management activities in the preceding twelve months and on the key priorities for 2011/2012.

Arising from the presentation of the report by the Treasurer it was noted that only 30 Members, in a five year period, had attended a risk management awareness session. The Treasurer undertook to arrange for a letter to be sent to those Members of the Council who had not attended a session inviting them to attend future training sessions.

#### RESOLVED

That the information contained in the report submitted, on the Council's risk management activities in the preceding twelve months and on the key priorities for 2011/12, be noted

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#### PROGRESS ON IMPLEMENTING INTERNATIONAL FINANCIAL REPORTING STANDARDS

A report of the Treasurer was submitted on progress made by the Council to date on the implementation of International Reporting Standards.

## RESOLVED

That the information contained in the report submitted, on the progress made on implementing international financial reporting standards, be noted.

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### 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>
Annual Audit Report in Relation to the Directorate of Children's Services	2 and 7
Annual Audit Report in Relation to the Directorate of Adult, Community and Housing Services	2 and 7
Report required under Standing Orders	2 and 7
Audit Services Interim Performance Report	2 and 7

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### ANNUAL AUDIT REPORT IN RELATION TO 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 2009/10 and incorporating details of the more important findings.

During the presentation of the report the Head of audit services updated the information in respect of paragraph 6 of the report in that of twenty-four recommendations five were still progressing.

Arising from the presentation given and the asking of questions by Members it was noted, in particular, that the Head of Audit Services would arrange for the appropriate officers to give further consideration to the concerns raised regarding the need for more explicit wording on travel claim forms regarding certification that the necessary insurance cover had been obtained. The Assistant Director Performance and Partnership would deal with the concerns raised in relation self employed social workers in terms of indemnity and related financial concerns including the position on tax and e-mail the information to Committee Members in due course.

RESOLVED

That the findings of the 2009/10 audit work be accepted.

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44      ANNUAL AUDIT REPORT IN RELATION TO 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 2009/10 and incorporating details of the more important findings.

During the presentation of the report the Head of Audit Services reported that in respect of paragraph 6 of the report one matter had not been fully implemented but that work on this was progressing.

Arising from the presentation given it was noted that the Head of Audit Services would arrange for consideration to be given to the possibility of cashless transactions in relation to meals income in respect of centres.

RESOLVED

That the findings of the 200910 audit work be accepted.

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45      REPORT REQUIRED UNDER STANDING ORDERS

A report of the Treasurer was submitted on a case arising under Standing Order 3.2.4 during the period July to December 2010 inclusive.

RESOLVED

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

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46      AUDIT SERVICES INTERIM PERFORMANCE REPORT

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

RESOLVED

That the information contained in the report submitted, on Audit Services Interim Performance, be noted.

The meeting ended at 7.50pm

CHAIRMAN