# AUDIT COMMITTEE

Monday, 29th September, 2003 at 6.00 pm

PRESENT:-

Councillor J R Davies (in the Chair)
Councillors Ms Craigie, Kettle, Lomax, Ms Nicholls, Rahman, Turner and Whitehouse, together with the Director of Finance, Director of Housing, Assistant Director of Housing (Housing Management), Assistant Director of Education (Resources and Planning), Head of Early Years and Childcare Team (Directorate of Education and Lifelong Learning), Head of Marketing and Communications (Chief Executive's Directorate), Head of Audit Services, Mr R Clarke and Mr S Potter (Audit Managers), Mr J Szczechowski (Group Accountant – Corporate Finance), Mr K Edwards and Mr J Jablonski (Directorate of Law and Property)

ALSO IN ATTENDANCE

Mr J Ellsby – District Audit Manager (for agenda item no. 5 – Statement of Accounts 2002/03)

12 MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 29th July, 2003, be approved as a correct record and signed.

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13 DECLARATIONS OF INTEREST

Declarations of Personal Interest, in accordance with the Members' Code of Conduct were made by the following Members in respect of agenda item number 8 (School Balances and Deposits) for the reasons indicated:-

Councillor Rahman – as a Governor of Northfield Road Primary School.

Councillor Turner – as a Governor of Lutley Primary School.

Councillor Whitehouse – as a Governor of Netherton Church of England School, as a trustee of Netherton Church of England School Foundation and in view of the occasional employment of his daughter as a nursery nurse in schools in the Borough.

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14 STATEMENT OF ACCOUNTS 2002/03

A report of the Director of Finance was submitted advising members of the requirements of the Committee to approve the Statement of Accounts. A copy of the Statement of Accounts was attached as an appendix to the report submitted together with a summary showing a brief explanation of each section.

The Director of Finance highlighted a number of aspects contained in the accounts including a new requirement for a statement on the system of internal control by the Director of Finance which was included for the first time.

The Director of Finance also introduced James Ellsby, the District Audit Manager and responded to questions asked by members of the Committee.

During the questions asked Councillor Rahman requested that in future it would be helpful prior to consideration of the Statement of Accounts if an informal discussion could be held to discuss the figures contained in the accounts.

It was noted that, subject to the Committee approving the Statement of Accounts, the Council's external auditors would also certify that in their opinion, the Statement of Accounts presents fairly the financial position of Dudley Metropolitan Borough Council at 31st March, 2003, and its income and expenditure for the year then ended.

RESOLVED

That approval be given to the Statement of Accounts for the financial year 2002/03 attached as an appendix to the report submitted and that the Chair sign the accounts and date them.

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15 AFTER SCHOOL CLUBS – HURST HILL, MILKING BANK, PETER'S HILL AND TENTERFIELDS PRIMARY SCHOOLS

A report of the Director of Education and Lifelong Learning was submitted setting out further information requested on this matter by the Committee at its meeting held on 15th April, 2003.

Richard Stiff, Assistant Director of Education (Resources and Planning) in his introduction to the report introduced Helen Kew, Head of the Early Years and Childcare Team. The team ~~which~~ had the key interface between the Authority and these clubs.

Arising from the introduction given members asked a number of questions and considered that a number of issues were still outstanding, for example, the plans for incorporation of the clubs into the mainstream and it was therefore

RESOLVED

That the information contained in the report submitted, on the further information requested in respect of after school clubs – Hurst Hill, Milking Bank, Peter's Hill and Tenterfields Primary Schools, be noted and that a further report on this matter be submitted to the Committee in ~~approximately 6~~six months time.

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16 ASTLEY BURF OUTDOOR CENTRE – CHARGING POLICY

A report of the Director of Education and Lifelong Learning was submitted on the current charging policy for pupils attending the Astley Burf Centre and on the implementation and implications of that policy, information requested by the Committee at its meeting held on 29th July, 2003.

Richard Stiff, Assistant Director of Education (Resources and Planning) introduced and commented on the content of the report and responded to questions asked by the Committee.

Particular issues arising from the comments made related to a need for the cost of Support Services provided by Dudley Catering and Client Services to feature in the accounts of the centre which would be done; the need for further consideration to be given to the criteria used relating to free school meals to ascertain whether the various changes in relevant legislation for example from Family Income Supplement to Family Credit had led to a whole group of children being unable to attend as they were no longer entitled to free school meals and whether this could be remedied and the need for a copy of the actual charging policy to be submitted to the Committee.

RESOLVED

That a further report be submitted to a future meeting of the Committee in respect of the charging policy at Astley Burf Outdoor Centre by the Director of Education and Lifelong Learning incorporating the various comments made by the Committee at this meeting.

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17 SCHOOL BALANCES AND DEPOSITS

A report of the Director of Education and Lifelong Learning was submitted setting out additional information about the levels of school balances and deposits, in particular the planned use of those funds, as requested at the meeting of this Committee held on 15th April, 2003.

Attached as Appendix 1 to the report was data indicating the plans schools had for their saved funds.

Richard Stiff, Assistant Director of Education (Resources and Planning) introduced and expanded upon the content of the report and appendix to the report, submitted.

In his introduction mention was made of the five categories under which head teachers had been asked to identify the purpose for which funds were held, the new powers to reclaim monies, as indicated in paragraph 8 of the report submitted, and in respect of the detailed contained in Appendix 1 to the report submitted, clarification that the total amount in balances for the three years indicated was in fact £6,538,218 as at 19th July, 2003, a reduction from the £9.5 million indicated as being held in balances at year end, that is 31st March, 2003. It was considered that when these figures were looked at next year a further reduction in balances would have occurred.

Arising from the introduction given, Richard Stiff responded to questions raised by members and in respect of a comment from Councillor Ms Nicholls regarding the entry for Newfield Park School in the appendix it was agreed that he would write to her direct in response to her query.

RESOLVED

That the information contained in the report, and Appendix 1 to the report, submitted be noted and that the Director of Education and Lifelong Learning be requested to submit a further report to this Committee in twelve months time on the position regarding school balances and deposits.

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18 EXCLUSION OF THE PUBLIC

RESOLVED

That, under Section 100A(4) of the Local Government Act, 1972, 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 Schedule 12A to that Act, in particular the paragraphs of Part I of that Schedule indicated below:-

| Description of Item | Relevant Paragraphs of Part I of Schedule 12A |
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| ~~Contracts reported under Standing Order 29.4 – further information~~Annual Audit Report in relation to the Housing Services Directorate | 1 |
| ~~Extension to existing building – response to Audit Committee~~Annual Audit Report in relation to the Chief Executive's Directorate | 1 |
| ~~Annual Audit Report in relation to the Education and Lifelong Learning Directorate~~Treasury Management | 7~~1~~ |

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~~17~~19 CONTRACTS REPORTED UNDER STANDING ORDER 29.4 – FURTHER INFORMATION ANNUAL AUDIT REPORT IN RELATION TO THE HOUSING SERVICES DIRECTORATE

A report of the Director of Finance was submitted ~~on the further information requested by Members on three contracts previously reported to this Committee as required under Standing Order 29.4. Details about the contracts were set out in an attached memorandum to the report submitted.~~summarising the audit work undertaken in the Housing Services Directorate for the financial year 2002/03 and incorporating details of the more important findings.

RESOLVED

That the ~~information contained in the report, and memorandum to the report, submitted on three contracts previously reported to this Committee, as required under Standing Order 29.4, be noted.~~findings of the 2002/2003 audit work be accepted.

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1820 EXTENSION TO EXISTING BUILDING – RESPONSE TO AUDIT COMMITTEE ANNUAL AUDIT REPORT IN RELATION TO THE CHIEF EXECUTIVE'S DIRECTORATE

A report of the Director of Education and Lifelong Learning was submitted on further information requested by Members about the tendering process for this project.Finance was submitted summarising the audit work undertaken in the Chief Executive's Directorate for the financial year 2002/2003 and incorporating details of the more important findings.

RESOLVED

That the information contained in the report submitted, on the tendering process for a project involving an extension to an existing school building, be noted.findings of the 2002/2003 audit work be accepted.

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1921 ANNUAL AUDIT REPORT IN RELATION TO THE EDUCATION AND LIFELONG LEARNING DIRECTORATE TREASURY MANAGEMENT

A report of the Director of Finance was submitted summarising the audit work undertaken within the Education and Lifelong Learning Directorate for the 2002/2003 financial year and incorporating details of the more important findings.outlining treasury activity in the financial year 2002/03 and treasury activity in the current financial year up to August, 2003.

RESOLVED

That the information contained in the report submitted on treasury management activity to August, 2003, be noted and that a report on this matter be submitted to the Council in accordance with the Treasury Policy Statement and Treasury Management Practices.(1)

That the findings of the audit work for 2002/2003 be accepted.

(2)

The meeting ended at 7.55 pm.That, in addition to the consideration to be given by the Select Committee on Lifelong Learning, a report on Neighbourhood Learning Centres also be submitted to a meeting of this Committee in approximately six months time and include the relevant financial information.

CHAIR