

AUDIT COMMITTEE

Thursday, 22nd September, 2011 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, J D Davies, Ms Partridge and
Mrs Westwood.

Officers:-

Treasurer, Assistant Director Environmental Management, Head of Audit
Services, Audit Managers and Principal Auditor, Head of Accountancy,
Group Accountant and Financial Accountant and Mr J Jablonski
(Directorate of Corporate Resources)

Also in attendance:-

Mr T Corcoran (District Auditor) and Mr S Turner (Audit Manager) (Audit
Commission)

14. APOLOGY FOR ABSENCE

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

15. 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.

16. MINUTES

RESOLVED

That the minutes of the meeting of the Committee held on 28th
June, 2011 be approved as a correct record and signed.

17. AUDITOR'S ANNUAL GOVERNANCE REPORT 2010/11

A report of the Treasurer was submitted on the auditor's Annual
Governance Report 2010/11, together with the formal Management
Representation Letter to the Auditor. A copy of the Annual Governance
Report was attached as an Appendix to the report submitted.

Mr T Corcoran, the District Auditor, and Mr S Turner, Audit Manager, were in attendance at the meeting and commented in particular on the very good report that had been submitted, and on the Council's arrangements for securing value for money and in respect of the financial statement 2010/11.

In all it was a positive report and the District Auditor expressed his thanks to the Treasurer and all the Officers involved for the work that had been carried out against the need to work to the provisions of a new financial regime, the International Financial Reporting Standards previously reported on at meetings of this Committee.

Arising from the comments made and subsequent questions asked it was confirmed that should any Member wish to raise any other questions on the report that they could do so via the Treasurer.

RESOLVED

- (1) That the content of the auditor's Annual Governance report 2010/11 be endorsed.
- (2) That approval be given to the Letter of Representation as attached to the report submitted and that the Chairman sign and date the letter so as to give evidence of the approval given.

18. AUDIT COMMISSION FEE LETTER 2011/12

A report of the Treasurer was submitted on the Audit Commission Fee Letter for 2011/12 attached as Appendix 1 to the report submitted. Attached as Appendices 2 and 3 to the report where the associated Code of Audit Practice and the Statement of Responsibilities of Auditors and of Audited bodies.

Arising from the presentation given on the content of the report, and Appendices to the report, submitted it was noted that the total Audit Fee for 2011/12 showed a slight decrease from the previous year for the reasons outlined in the report submitted.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the Audit Commission Fee Letter 2011/12, be noted.

19. STATEMENT OF ACCOUNTS 2010/11

A report of the Treasurer was submitted on the Statement of Accounts 2010/11, attached as Appendix 1 to the report submitted, and on the outcome of the Audit of Accounts.

The Treasurer gave a visual presentation at the meeting highlighting the main issues contained in the report submitted.

As part of the presentation he referred in particular to the Movement in Reserves Statement citing the position as at 31st March, 2010 and the position as revised at 31st March, 2011, indicating an increase in the General Fund Balance from £8.1 to 9.1 million. Other aspects of that Statement were also considered.

Regarding the outcome of the Audit of Accounts the Treasurer indicated that the only significant item he would wish to raise was in respect of the Balance Sheet regarding the figures shown for short-term and long-term deferred liabilities the first of which had been understated and the latter of which had been overstated resulting in no overall change. Other minor issues had been discussed and agreed with the Chairman of the Committee.

Following the presentation given the Treasurer and his staff were thanked for their hard work in producing the Accounts.

RESOLVED

That the Statement of Accounts, attached as Appendix 1 to the report submitted, and as updated at the meeting, be approved and that the Chairman sign and date the Accounts so as to give evidence of the approval given.

20. TREASURY MANAGEMENT

A report of the Treasurer was submitted on treasury activity during the financial year 2010/11, and in the current financial year up to August and on a proposed amendment to the Treasury Strategy Statement 2011/12.

In his presentation of the content of the report submitted the Treasurer reported that the proposals in respect of amending the Treasury Strategy Statement and with reference to obtaining a credit rating for the Council, if required, had been overtaken by events namely an announcement by the Treasury to a temporary change in the terms in respect of the Public Works Loan Board which meant that there was now no need to pursue these two issues.

Arising from the further consideration given to the content of the report it was noted that if Members wished to have a training session in respect of Treasury Management the Treasurer would facilitate this.

RESOLVED

That the Council be recommended to note the Treasury Activity outlined in the report submitted.

21. 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 the Urban Environment	2 and 7
Report required under Standing Orders	2 and 7
Audit Services Interim Performance Report	2 and 7

22. ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF THE URBAN ENVIRONMENT

A report of the Treasurer was submitted on the audit work undertaken in the Directorate of the Urban Environment for the financial year 2010/11 and incorporating details of the more important findings as indicated in Appendices 2 and 3 to the report submitted.

Arising from consideration of the report, and Appendices to the report, submitted the Chairman considered that overall it was an excellent report and showed steady improvement over the last few years and asked that his comments be passed on to those concerned.

Arising from further comments made the Head of Audit undertook to review the wording given under the heading "Rating" in Appendix 1 to the report submitted so as to provide a more simplified indication regarding the level of assurance obtained.

RESOLVED

That the findings of the 2010/11 audit work be accepted.

23. REPORT REQUIRED UNDER STANDING ORDERS

A report of the Treasurer was submitted on cases arising under Standing Order 3.2 during the period January to June, 2011, requiring a report to this Committee.

RESOLVED

That the information contained in the report, and Appendix A to the report, submitted on cases arising under Standing Order 3.2, during the period January to June, 2011, requiring a report to this Committee, be accepted.

24. AUDIT SERVICES INTERIM PERFORMANCE REPORT

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

RESOLVED

That the information contained in the report, and Appendix A to the report, submitted be noted and that the minor amendments to the Annual Governance Statement, referred to in paragraph 9 of the report, be endorsed.

The meeting ended at 7.30pm

CHAIRMAN