

AUDIT COMMITTEE

Tuesday 28th June, 2011 at 6pm
in Committee Room 3 at the Council House, Dudley

PRESENT: -

Councillor Taylor (Chairman)
Councillor Hill (Vice Chairman)
Councillors Ahmed, Miss J Cowell, J D Davies, Lowe, Ms Patridge, Mrs Westwood and J Woodall.

Officers:-

Treasurer, Director of Corporate Resources, Assistant Director H.R and Organisational Development, Head of Audit Services, Audit Manager and Principal Auditor (all Directorate of Corporate Resources) Assistant Director Policy and Improvement (Chief Executive's Directorate) and Miss K Fellows (Directorate of Corporate Resources).

Also in Attendance:-

One member of the public.

1. CHAIRMAN'S REMARKS

This being the first meeting of the municipal year, the Chairman welcomed new members to the meeting, advising them that the Head of Audit Services would arrange an induction and training in relation to the Committee.

2. APOLOGY FOR ABSENCE

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

3. APPOINTMENT OF SUBSTITUTE MEMBER

It was reported that Councillor J Woodall had been appointed as a substitute member for Councillor Burston for this meeting of the Committee only.

4. 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.

5. MINUTES

RESOLVED

That, the Minutes of the Committee held on 7th April, 2011 be approved as a correct record and signed.

6. INTERNAL AUDIT SERVICES ANNUAL REPORT 2010/11

A report of the Treasurer was submitted on an overview of the performance of Dudley Audit Services in the year to 31st March 2011, and of the Head of Audit Services' opinion on the effectiveness of the Council's system of internal control.

Arising from the presentation of the report submitted, Members asked questions and made comments and the Head of Audit Services responded in particular, as follows:-

In relation to the questionnaires referred to at paragraph 3.2, Audit Services would contact those Directorates that had not responded to questionnaires however predominantly there had been a good rate of return.

In relation to the workshops and briefings provided to school staff and governors, that a report would be submitted to the next meeting of the Committee detailing the number of staff training days and the number of staff who had attended those training days.

The new Financial Management Standard was referred to and it was reported that the Chair of Governors and not the Head had to sign a Statement that had to be submitted to the Treasurer thus placing tighter controls on schools.

That every six months follow up action would automatically be undertaken in relation to minimal and new assurances, which would be reported to this Committee.

That should Members wish to access school audits they would be required to approach the Chair of Governors.

The report submitted was well received with Members congratulating Audit Services in relation to performance and the continuing efficiency savings.

RESOLVED

- (1) That the information contained in the report, and Appendices to the report submitted, on the performance of Internal Audit Services in 2010/11, be approved together with the opinion of the Head of Internal Audit on the effectiveness of the Council's system of internal control set out at appendix F to the report submitted.
 - (2) That the Treasurer be requested to submit a report containing detailed information in relation to the training days undertaken and the number of staff attending those training days as outlined above, to the next meeting of the Committee.
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7. ANNUAL REVIEW OF INTERNAL AUDIT

A report of the Treasurer was submitted on the annual review of the effectiveness of the system of internal audit that would form part of the Annual Governance Statement for the 2010/11 financial year.

Arising from the presentation of the report, Members asked questions and the Head of Audit Services responded stating:-

- In relation to Audit performance referred to at paragraph 7 in Appendix 1 to the report submitted, he confirmed that he would speak personally to the Directors should managers fail to cooperate with finalising draft Audit Reports, within the timescale specified and also management letters would be issued recording the above.
- That it had previously been agreed by the Committee that there was no necessity for a formal Annual Report on the work and performance of the Audit Committee to be prepared.
- The Committee had previously determined that there was no requirement for separate sub-committees to be established in order to gain an understanding of management procedures for preparing the authorities Annual Accounts, as the main Committee Members were all inducted and trained when they joined the Committee.
- That details would be included in the Interim Performance Report summarising the numbers in each Directorate who had failed to comply with the audit process protocols referred to in paragraph 7 of the report submitted. Details would also be supplied in the individual Annual Directorate Reports.

RESOLVED

- (1) That the information contained in the report, and Appendices to the report, submitted on the review of the effectiveness of the system of internal audit be accepted.

- (2) That the Head of Audit Services be requested to include details in the Interim Performance Report of the numbers in each Directorate and the Directorate concerned who had failed to comply with the audit process protocols referred to above. Details would also be included in the Annual Directorate Reports.
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8. ANNUAL GOVERNANCE STATEMENT

A report of the Treasurer was submitted on the Annual Governance Statement that was to accompany the accounts for the financial year 2010/11.

Arising from the presentation of the report by the Treasurer it was noted that should significant recommendations arise throughout the year, these would be reported upon to the Committee.

RESOLVED

That approval be given to the Annual Governance Statement, as set out in Appendix C, and that it be referred to the Leader of the Council and the Chief Executive for signature.

9. FUTURE OF LOCAL PUBLIC AUDIT CONSULTATION.

A joint report of the Director of Corporate Resources and the Treasurer was submitted on a response to the Department of Communities and Local Government consultation document on the future of local public audit. A draft summary of the Council's proposed response to the consultation was Appended to the report submitted.

RESOLVED

That the Director of Corporate Resources be authorised to respond to the Department of Communities and Local Government consultation on the future of public audit as set out in the Appendix to the report submitted and the response include any additional comments expressed by the Cabinet.

10 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>
Suspensions under the Provisions of the Employee Improvement and Disciplinary Procedure.	1
Annual Audit Report in Relation to the Directorate of Corporate Resources.	2 and 7
Annual Audit Report in Relation to the Chief Executive's Directorate.	2 and 7

11

SUSPENSIONS UNDER THE PROVISIONS OF THE EMPLOYEE IMPROVEMENT AND DISCIPLINARY PROCEDURE.

A report of the Director of Corporate Resources was submitted on the numbers of employees who were suspended pending an investigation into allegations of gross misconduct and on a comparison with the previous years information.

Arising from the presentation of the report submitted and the asking of questions by Members it was noted that the Director of Corporate Resources and the Assistant Director HR and Organisational Development would give consideration to the request that the position in relation to both a Solicitor and a Human Resources Officer being present at Disciplinary, Dismissal and Grading Appeal hearings should be investigated, although the Director of Corporate Resources advised Members that this method had always held the Authority in good stead.

The Assistant Director confirmed that she would forward to Members details of the number of cases that proceeded to Tribunals and the outcome of those cases during the last municipal year.

Members welcomed the report and congratulated the Director upon the success of the Human Resources Department reducing time limits in relation to investigations, thus reducing cost to the Authority.

RESOLVED

That the information contained in the report submitted be noted and that the Assistant Director HR and Organisational Development be requested to provide Members with details of the number of cases that proceeded to Tribunals and the outcome of those cases during the last municipal year.

12 ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF CORPORATE RESOURCES.

A report of the Treasurer was submitted on the audit work undertaken in the Directorate of Corporate Resources for the financial year 2010/11 and incorporating details of the more important findings.

Arising from the presentation of the report submitted Members praised the work of the Directorate in implementing recommendations.

RESOLVED

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

13 ANNUAL AUDIT REPORT IN RELATION TO THE CHIEF EXECUTIVE'S DIRECTORATE.

A report of the Treasurer was submitted on the audit work undertaken in the Chief Executive's Directorate for the financial year 2010/11 and incorporating details of the more important findings.

Arising from the presentation of the report submitted the Assistant Director of Policy & Improvement and the Head of Audit responded to questions confirming that tighter controls were now in place in relation to procurement and petty cash and that staff training was now reported to Senior Management Staff meetings.

RESOLVED

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

The meeting ended at 7.50pm

CHAIRMAN