

## **Minutes of the Audit Committee**

**24th September, 2015 at 6.30 pm  
at the Sandwell Council House, Oldbury**

**Present:** Councillor Sidhu (Chair);  
Councillors D Hosell and Tipper.

**Apologies:** Councillors Frazer and Dr Jaron.

29/15      **Minutes**

**Resolved** that the minutes of the meeting held on 23rd July, 2015, be confirmed as a correct record.

30/15      **Statement of Accounts 2014/15**

The Committee received the Statement of Accounts for 2014/15.

In accordance with the Accounts and Audit Regulations 2011, the Statement of Accounts had been approved by the Section 151 Officer on 26th June, 2015, confirming that the accounts provided a true and fair view of the Council's financial position.

Members noted that the level of general fund balance stood at £12.313m. Despite the significant financial challenges facing the Council, this represented a consistent position on the level of free balances and was also in line with prudent cash management policies.

It was noted that provisions amounting to £4.135m had been used in year to support expenditure on redundancies and collection fund provision.

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The Housing Revenue Account balances stood at £34.677m. This ring fenced fund had increased by £1.711m, mainly due to reduced capital charges and an under spend within the capital programme funded by the Housing Revenue Account.

Schools balances stood at £31.744m, however it was noted that these funds were ring fenced and could not be appropriated by the Council.

In response to Members' questions the Section 151 Officer undertook to supply to them:-

- A breakdown of the balances held by schools;
- A breakdown of income and expenditure under the Housing Revenue Account.

### **Resolved:-**

- (1) that the 2014/15 Statement of Accounts be approved by the Audit Committee;
- (2) that the Management Representation Letter 2014/15 be signed and approved by the Chair of the Audit Committee.

31/15

### **Report to those Charged with Governance (ISA 260)**

The Committee received a report which outlined the key issues identified by KPMG during its audit of the Council's financial statements for the year ended 31st March, 2015 and its assessment of the Council's arrangements to secure value for money in its use of resources.

The auditors proposed to issue an unqualified audit opinion on the Council's financial statements following approval of the Statement of Accounts by the Audit Committee.

The auditors concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

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Members noted that officers had already started the development of a process to ensure that as from 2017/18 the accounts closedown timetable met its statutory deadline of July.

### 32/15 Strategic Risk Register Update

The Committee gave consideration to the Council's Strategic Risk Register in order to gain assurance that risks to the delivery of the Council's key priorities were being managed.

It was requested that the risk owner for risk number 40 on School Place Planning submit details to the next meeting of the Committee on what processes the Authority had in place to assess numbers for school place planning and how this was shared with other Council functions such as planning.

### 33/15 Consultation on CIPFA/SOLACE – Delivering Good Governance in Local Government

The Committee received a report and a proposed response to a consultation issued by the CIPFA/SOLACE Joint Working Group on a review of how the Framework and guidance used to ensure the delivery of good governance were working in practice.

To assist in developing an authority's approach to good governance CIPFA/SOLACE had issued *Delivering Good Governance in Local Government: Framework* and an accompanying guidance note in 2007.

The Framework urged each local authority to test its approach by:-

- Reviewing existing governance arrangements
- Developing and maintaining an up-to-date local code of governance including arrangements for ensuring ongoing effectiveness
- Reporting publicly on compliance with its own code on an annual basis and on how it had monitored the effectiveness of its governance arrangements in the year and on planned changes.

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To ensure the Framework remained 'fit for purpose' the CIPFA/SOLACE Joint Working Group was reviewing the Framework. The purpose of this consultation was to see how the Framework and guidance had been working in practice and to see where further clarification or guidance was required. The aim was to publish an updated Framework and guidance in late 2015.

Members noted that the proposed response to the consultation had also been considered by the Standards Committee at its meeting on 11th September, 2015.

**Resolved** that the response to the CIPFA/SOLACE Consultation on Delivering Good Governance in Local Government be approved.

### 34/15 **Internal Audit Progress Report as at 30th June, 2015 (Quarter 1)**

The Committee considered a report which summarised areas of work covered by Audit Services for the quarter to 30th June, 2015. The report updated the Committee on progress made against the delivery of the 2015/16 Internal Audit Plan and gave details of the performance of the internal audit service.

### 35/15 **Work Programme 2015/16**

The Committee noted its work programme for 2015/16.

Members noted that there would be at least eleven items of business for the next meeting.

(Meeting ended at 7.20 pm)

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