

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD ON TUESDAY 27 MARCH 2018 AT 4:00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT:
Councillors

Grice, Mrs. D. (Chairman)
Johnson, J.P. (Vice-Chairman)
Bowater, J. Stretton, Mrs. P.Z.
Dean, A. Tait, Ms. L.

Also Present:

Jim McLarnon, Audit Manager, Grant Thornton (External Auditors).

28. Apologies

None received.

29. Declaration of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

No Declarations of Interests were made in addition to those already confirmed by Members in the Register of Members' Interests.

30. Minutes

RESOLVED:

That the Minutes of the meeting held on 5 December, 2017, be approved as a correct record and signed.

31. Internal Audit Quarter 3 Report 2017/18

Consideration was given to the Report of the Chief Internal Auditor and Risk Manager (Item 4.1 – 4.8 of the Official Minutes of the Council).

The Chief Internal Audit & Risk Manager outlined to the Members the following key aspects from the report:

Current Audit Plan

The audit plan was slightly behind target at the end of quarter 3 owing to a number of vacant posts existing within the team. One of these vacancies had been filled and the individual commenced employment in January 2018.

Audits Completed in Quarter 3

- Pest & Dog Control – this audit had been graded partial assurance due to there being no service level agreement in place with Stafford BC who were delivering the service on behalf of Cannock Chase DC.
- Scheme Managers and Sheltered Accommodation – this audit had been graded partial assurance as a number of ‘resident support plans’ were out of date and required updating. Staff awareness of the Council’s Code of Conduct and process for declaring interests needed to be improved, as did the system for managing sundry collections.
- Council Tax, National Non-Domestic Rates and General Land – these audits had all been given substantial assurances.

Audits in Progress

Eight audits were in progress during quarter 3 and the outcomes would be reported to the first meeting of the Committee in the 2018/19 municipal year.

Audit Follow-ups Completed

No follow-ups had been completed in quarter 3.

RESOLVED:

That the contents of the Internal Audit Report for Quarter 3 2017/18, be noted.

32. Internal Audit Plan 2018/19

Consideration was given to the Report of the Chief Internal Auditor and Risk Manager (Item 5.1 – 5.23 the Official Minutes of the Council).

Members were advised of the process involved in producing the audit plan, the Officer resource available to deliver the plan and the number of audits to be delivered for Cannock Chase DC services, Shared services and Stafford BC services.

The full list of planned audits for 2018/19 was included in Appendix 1 of the report.

RESOLVED:

That the Audit Plan for 2018/19 be approved.

33. Cannock Chase District Council Certification Letter 2016/17

Consideration was given to the Letter of the External Auditors (Item 6.1 – 6.3 of the Official Minutes of the Council).

The External Auditor reported that during the certification work on the 2016/17 Housing Benefit subsidy claim, a numbers of errors had been identified as part of extended testing undertaken following issues which arose in the 2015/16 claim.

The volume of errors found during the certification work had been higher than in previous years which indicated weaknesses in the existing quality control procedures used by the Council. It had been pleasing to note however that improved procedures were now being put in place to try and reduce the number of possible errors in future years.

As a result of the additional work carried out, the fee payable by the Council for 2016/17 would be £2,353 higher than the original indicative figure.

RESOLVED:

That the Letter of the External Auditors be noted.

34. Cannock Chase District Council Audit Plan 2017/18

Consideration was given to the Report of the External Auditors (Item 7.1 –7.16 of the Official Minutes of the Council).

The External Auditor drew Members attention to the key aspects of the report which were: significant risks; materiality; Value for Money arrangements; audit logistics; and independence.

Significant risks

Members were advised that 'valuation of property, plant and equipment' had been included as a new risk for 2017/18 as a result of work undertaken in 2016/17.

Value for Money arrangements

Financial Sustainability had been identified as a significant Value for Money risk due to the Council having a challenging three-year budget in place and significant pressures to manage in delivery of the required savings. In response to this risk the External Auditors would review the implementation of the Financial Recovery Plan and gain an understanding of the actual savings made against expectations, and assess the key assumptions underlying the medium term financial plan for reasonableness.

RESOLVED:

That the Report of the External Auditors be noted.

35. Informing the Audit Risk Assessment for Cannock Chase District Council 2017/18

Consideration was given to the Report of the External Auditors (Item 8.1 – 8.23).

The External Auditor advised that the purpose of the report was to present to the Committee a series of questions put to the Council's management by the Auditors on the following areas and the responses received:

- Fraud;
- Laws and regulations;
- Going concern;

- Related parties;
- Accounting estimates.

It was for the Committee to consider whether the Officer's responses were consistent with its understanding of those areas and to make any further comment.

RESOLVED:

That the Report of the External Auditors be noted.

36. Audit Progress Report and Sector Update 2017/18

Consideration was given to the Report of the External Auditors (Item 9.1 – 9.17).

The External Auditor advised that the report set out progress on key activities undertaken by the auditors during 2017/18 and an overview of emerging national issues and developments which may relevant to the Council and local authorities in general.

In respect of interim audit work carried out so far this year no issues had been identified.

RESOLVED:

That the Report of the External Auditors be noted.

The meeting closed at 4:23 p.m.

CHAIRMAN