

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD ON TUESDAY 29 NOVEMBER 2016 AT 4.00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT:
Councillors

Witton, P.T. (Chairman)

Buttery, M.S. Johnson, J.P.
Grice, Mrs. D.

Also Present:

- James Cook, Engagement Lead – Grant Thornton (External Auditors)
- Laura Hinsley, Manager – Grant Thornton (External Auditors)

18. Apologies

Apologies for absence were submitted for Councillors Mrs. S.M. Cartwright (Vice-Chairman), J. Bowater and P.E. Woodhead.

19. 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.

20. Minutes

RESOLVED:

That the Minutes of the meeting held on 27 September, 2016, be approved as a correct record and signed.

21. Internal Audit Quarter 2 2016-17 Report

Consideration was given to the Report of the Chief Internal Auditor (Item 4.1 – 4.9 of the Official Minutes of the Council).

The Chief Internal Auditor took Members through the report, drawing particular attention to the commentary on the audits completed during quarter 2 and the list of audits in progress.

In respect of the Licensing & Hackney Carriages audit, the Chief Internal Auditor advised that it was recommended that DBS paperwork should be retained for no more than 6 months after a decision had been made on whether or not to issue a licence, but preferably destroyed sooner if no longer required.

In respect of the Treasury Management audit, a Member asked if reduced staffing levels were considered a potential problem going forward. The Chief Internal Auditor replied that this had been raised as part of the Internal Audit Annual Report on a number of occasions as a growing issue across the Council, as fewer Officers meant there was greater risk of system controls not being operated and monitored effectively. The Head of Governance further replied that the Managing Director had concerns over Officer capacity, particularly at management level, but a review of team structures, workloads and priorities would be undertaken as necessary.

In respect of the High Level IT Security Framework audit, a Member asked when it was expected that the operating procedures referred to would be drafted. The Chief Internal Auditor replied that it should be no more than 6 months after the audit taking place, but ideally as soon as possible.

RESOLVED:

That the report be noted.

22. Strategic Risk Register

Consideration was given to the Report of the Head of Governance (*presented by the Risk & Resilience Manager*) (Item 5.1 – 5.16 of the Official Minutes of the Council).

The Risk & Resilience Manager reported that the Council's risk profile was unchanged since the last update, but it was expected that the rating for risk 18, '*Viability / Funding of Cannock Chase Council as a result of public expenditure reductions and changes to Government's funding regime*' would be reduced following completion of the Financial Recovery Plan process, although the rating could be increased again depending on the Council's funding position in the future.

RESOLVED:

That the progress made in the identification and management of the strategic risks be noted.

23. Annual Governance Statement – Progress Report

Consideration was given to the Report of the Head of Governance (Item 6.1 – 6.9 of the Official Minutes of the Council).

In addition to the progress updates provided in the report, the Head of Governance also reported the following:

- Housing & Planning Act – implementation of proposals had been delayed as guidance was still awaited. However it was understood that further changes to the Act had been announced as part of the Chancellor's Autumn Statement.
- Code of Governance and Employees' Code of Conduct – it was anticipated that work on both of these documents would commence in early 2017 following completion of the 2016/17 budget process.
- IT Strategy – no longer being submitted to the Customers & Corporate Scrutiny Committee and Cabinet in December for consideration as Officers were seeking clarification on whether or not the Strategy required approval by Members.

RESOLVED:

That the progress report on the Annual Governance Statement 2015-16 be noted.

24. Annual Audit Letter 2015-16

Consideration was given to the Report of the External Auditors (Item 7.1 – 7.15 of the Official Minutes of the Council).

James Cook advised that certification work on the Council's Housing Benefit Subsidy Claim had been completed, and as a result, an adjustment figure to the accounts to the value of approximately £2,500 would be required. Of concern however was that for the benefits claims tested as part of the certification work 1 in 10 was found to have contained errors, which was a considerably higher rate than other local authorities tested. Accordingly, Officers had been advised to undertake testing work throughout the course of the year so as to reduce the number of errors made and rectify more quickly any errors found.

Laura Hinsley reported that Officers had understood the testing process and worked hard to ensure thorough testing was carried out, but the outcome was that more errors had been found compared to the previous year's testing.

Members raised concern with the number of errors being made and requested that relevant Officers be asked to attend the next meeting to report on how this was going to be addressed.

The Chief Internal Auditor advised that a Housing Benefit system audit was planned to take place in the coming months but would need to check which part of the system was due to be audited as Members concerns could be addressed via that route instead.

The Head of Governance further advised that if the relevant part of the system was not due to be audited, then the Head of Finance and/or Revenues & Benefits Manager would be requested to attend the next meeting.

RESOLVED:

That the report of the External Auditors be noted.

The meeting closed at 4:45 p.m.

CHAIRMAN