

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
TUESDAY, 25 JUNE, 2013 AT 4.00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK
PART 1

PRESENT:

Councillors

Ball, G.D. (Chairman)
Bottomer, B. (Vice-Chairman)

Dudson, A. Molineux, G. N.
Johnson, J. Whitehouse, Mrs L.

Also Present

Grant Patterson, Director, Grant Thornton UK LLP

1. Apologies

Apologies for absence were received from Councillor B. Gamble.

2. 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.

3. Minutes

RESOLVED:

That the Minutes of the meeting held on 26 March 2013 be approved as a correct record and signed.

4. Annual Treasury Management Report 2012-13

The Chairman informed Members that item 10 of the Agenda, 'Annual Treasury Management Report 2012-13', would be taken before item 4, 'Strategic Risk Register'.

Consideration was given to the Report of the Head of Finance (Item 10.1 – 10.10 of the Official Minutes of the Council).

The Head of Finance circulated a revised version of his report at the start of this item, explaining that an out-of-date version had been submitted for circulation in error.

The Head of Finance then provided an overview of the report, explaining that it outlined the Council's performance in relation to its capital expenditure, borrowing and investments for 2012-13. The following specific points were then brought to the Committee's attention:

- Borrowing was only undertaken as a last resort option when utilisation of reserves or surplus S106 funds was no longer possible;
- Borrowing was monitored on a daily basis, with the Council seeking professional advice on how to manage and invest such funds accordingly;
- Where any investment was undertaken, the Council would only invest in AAA rated banks;
- Any surplus cash flows received by the Council were invested back into services, primarily the capital programme.

Councillor Johnson asked if the Council used outside agencies to provide advice on investments.

The Head of Finance replied that outside agencies were used, but the final decision on what investments to make and who to invest with always rested with the Council to ensure they were kept within the Council's treasury indicator limits.

The Chairman asked why finance related risks were only classified as 'low' risks by the external auditors.

Mr G. Patterson, Director, Grant Thornton, replied that the auditors could check back on how and where financing happened as there was a clear audit trail in place, so there was a lower level of risk of monitoring activity in those areas.

RESOLVED:

1. That the actual 2012/13 prudential and treasury indicators, as detailed in the report, be approved;
2. That the Annual Treasury Management Report for 2012-13 be noted.

5. Strategic Risk Register

Consideration was given to the Report of the Head of Governance (Item 4.1 – 4.4 of the Official Minutes of the Council).

The Head of Governance provided an overview of the report, explaining that it detailed how the Council performed in managing its strategic risks, both during the final quarter of 2012-13 and for the whole year.

It was reported that a review of the Strategic Risk Register was being undertaken, and a revised version would be presented to the next meeting of the Committee.

RESOLVED:

That the Committee is satisfied with the effectiveness of the Council's Risk Management arrangements for the 2012/13 financial year.

6. Review of Effectiveness of Internal Audit

Consideration was given to the Report of the Head of Governance (Item 5.1 – 5.4 of the Official Minutes of the Council).

The Head of Governance provided an overview of the report, explaining how the review was undertaken, and what the outcomes of the review were.

It was also reported that a self-review of the Committee would be carried out later on in 2013/14, as it had been some years since a review last took place.

RESOLVED:

1. That the findings of the annual review of the effectiveness of internal audit for 2012-13 be noted;
2. That it be noted Internal Audit is operating effectively and can be relied upon when considering the Annual Governance Statement for 2012-13.

7. Internal Audit Annual Report 2012-13

Consideration was given to the Report of the Chief Internal Auditor (Item 6.1 – 6.3 of the Official Minutes of the Council).

The Chief Internal Auditor explained the report provided a summary of work undertaken by the service during 2012-13. The following points were then brought to the Committee's attention:

- 'Reasonable assurance' was the most realistic rating Internal Audit could provide in respect of the Council's governance arrangements,

as a full review was not undertaken each year;

- 100% of the planned audit work for 2012-13 had been completed.

Councillor Johnson asked if the Council appointed different external auditors on an annual basis.

Mr G. Patterson, Director, Grant Thornton, replied that this was not the case, and they currently had a five year contract in place with the Council, which could be extended for a further three years, subject to approval by the Audit Commission, who were the responsible body for making such appointments.

RESOLVED:

That the 2012-13 Internal Audit Annual Report be noted.

8. Annual Governance Statement 2012-13

Consideration was given to the Report of the Head of Governance (Item 7.1 – 7.5 of the Official Minutes of the Council).

The Head of Governance provided an overview of the report, explaining that Council was statutorily required to produce and approve an Annual Governance Statement.

The Chair asked what plans there were for induction training for Members. The Head of Governance explained that induction training for the Committee Members would be provided on immediately before the Committee meeting scheduled for 20 August 2014 (time and venue to be advised).

RECOMMENDATION TO COUNCIL:

That the Annual Governance Statement for 2012-13 be approved.

9. External Audit – Audit Fees 2013-14

The Committee received for information a letter from Grant Thornton, external auditors (Item 8.1 to 8.3 of the Official Minutes of the Council), which outlined the audit fees payable by the Council during 2013-14.

Mr G. Patterson, Director, Grant Thornton, explained there had been no change in the fees payable in comparison with 2012-13.

10. External Audit – Audit Plan 2012-13

Consideration was given to the Report of Grant Thornton, external auditors (Item 9.1 – 9.19 of the Official Minutes of the Council).

Mr G. Patterson, Director, Grant Thornton, explained that the report detailed how the audit work was undertaken, what interim work had been carried out during the year, and what key tasks were still to be completed.

CHAIRMAN

(The meeting closed at 5:20pm)