

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
TUESDAY, 26 MARCH, 2013 AT 4.00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT:
Councillors

Ball, G. (Chairman)
Gamble, B. (Vice-Chairman)

Anslow, C. Bottomer, B.
Bennett, C. Molineux, G. N.

Also Present Ms. P. Raithatha, Audit Manager, Grant Thornton
(Pragati.d.raithatha@uk.gt.com)

31. Apologies

An apology for absence was submitted on behalf of Councillor P. Snape.

32. 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.

33. Minutes

RESOLVED:

That the Minutes of the meeting held on 6 December, 2012 be approved as a correct record and signed.

34. Internal Audit Plan 2013-14

Consideration was given to the Report of the Chief Internal Auditor (Enclosure 4.1 – 4.5 of the Official Minutes of the Council).

The Chief Internal Auditor gave an overview of the Report outlining the relevant issues for consideration.

The Committee was advised that the Annual Audit Plan was usually presented as part of the Internal Audit Strategy. However there had been a delay in producing the Strategy document due to the issuing of Public Sector Internal Audit Standards which Internal Audit needed to comply with from 1 April, 2013. It was explained that Cipfa was due to issue additional guidance to support the Standards in April 2013. The revised Terms of Reference and Audit Strategy would be presented to the Committee once updated.

It was reported that the resources available for the delivery of the Audit Plan across Stafford Borough Council and Cannock Chase District Council in 2013-14 were detailed in Appendix 3 to the Report.

The Chief Internal Auditor advised that reports on all of the shared service audits for 2013-14 would be presented to the Committee, other than the Leisure Till/Booking System (XN Leisure) which was a Stafford only system.

Concern was raised with regard to the changes to the Housing and Council Tax Benefits systems and the impact this could have on residents. Members considered that this could lead to residents not paying their housing rents and potentially leading to them becoming homeless. The Head of Governance advised that the situation would be monitored and Members apprised of any issues as appropriate.-

RESOLVED:

That the Audit Plan for 2013-14 be noted.

35. Internal Audit – Quarter 3 Report of 2012-13

Consideration was given to the Report of the Chief Internal Auditor (Enclosure 5.1 – 5.2 of the Official Minutes of the Council).

The Chief Internal Auditor reported that 12 audits had been completed to draft stage and a further 12 audits were in progress at the end of quarter 3. It was anticipated that the audit plan would be satisfactorily completed by the end of the year.

RESOLVED:

That the contents of the Internal Audit Report for Quarter 2 of 2012-13 be noted.

36. Strategic Risk Register

Consideration was given to the Report of the Head of Governance (Enclosure 6.1 – 6.4 of the Official Minutes of the Council).

The Head of Governance gave an overview of the report and explained that its purpose was to provide Members with an update on the strategic risks that the Council was facing in delivering its objectives. It was explained that Appendix 2 to

the Report detailed the actions planned by Officers to address the risks.

RESOLVED:

That the progress in addressing the Strategic Risks be noted.

37. Annual Governance Statement – Progress Report

Consideration was given to the Report of the Head of Governance (Enclosure 7.1 – 7.8 of the Official Minutes of the Council).

The Head of Governance gave an overview of the report and explained that it detailed the progress in addressing the significant governance issues identified in the Annual Governance Statement for 2011-12.

It was reported that, due to other priorities, it was anticipated that the Code of Governance review and update would be carried out in 2013-14.

RESOLVED:

That the Progress Report on the Annual Governance Statement for 2011-12 be noted.

38. Grant Thornton Progress Report

Grant Thornton Update

Ms. P. Raithatha, Audit Manager, Grant Thornton, explained that the update gave details of progress that was being achieved in the delivery of their responsibilities as External Auditors. The paper also included a summary of emerging national issues and developments that could be of relevance to the Council.

The Committee was advised that the 2012-13 final accounts audit would include:

- Audit of the 2012-13 financial statements
- Proposed opinion on the Council's accounts
- Proposed Value for Money conclusion
- Return on whole of government accounts

The Annual Governance Report containing the External Auditors findings would be presented to the Committee in September, 2013.

It was reported that two questions from the public had been received in respect of the utilisation of Section 106 monies by the Council. The queries had been responded to and it had been concluded that there were no matters which would require the External Auditors to exercise formal audit powers and responsibilities. It was explained that the Head of Finance was in the process of reviewing how information was held on Section 106 balances.

Certification Work Report 2011-12

Ms. P. Raithatha gave an overview of the Report and advised that Grant Thornton, acting as agents of the Audit Commission, was required to certify claims submitted by the Council. A total of 4 claims and returns had been certified for the financial year 2011-12 with a total value of £60.4 million.

The findings of the External Auditors in relation to the management arrangements and certification of individual grant claims and returns were identified within the Report.

Communication with the Audit and Governance Committee – Audit Year 31 March 2013

It was explained that the purpose of the report was to contribute towards an effective two-way communication between the auditors and those charged with governance.

Ms. P. Raithatha gave an overview of the Report outlining out the relevant issues for consideration.

It was explained that as part of the External Auditors risk assessment procedures, they were required to obtain an understanding of management processes and an oversight of the Committee's awareness of the following areas:-

- Fraud
- Laws and Regulations
- Accounting estimates
- Related parties

Details of questions the Auditors had raised and management responses were listed within the Report, together with key issues and recommendations on how it was considered they could be addressed.

It was reported that although there was an on-going risk of fraud being committed against the Council, arrangements were in place to both prevent and detect it happening.

The Committee was advised that the Monitoring Officer was responsible for ensuring the Council was compliant with Laws and Regulations. Processes were in place, and there were no known instances of non-compliance.

A Member raised concern that he was not aware of the level of reserves that were held by the Council and for what purpose. The Head of Governance advised that the Head of Finance provides this information to the Council as part of the budget and is provided to this Committee as part of the final accounts. .

It was explained that a number of arrangements were in place to identify, account for, and disclose related party transactions and relationships.

RESOLVED:

That the Progress Report be noted.

CHAIRMAN

The meeting closed at 5.15 p.m.