

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
TUESDAY 24 JUNE 2014 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.
Hardman, B. Preece, J.

Also Present Andrew Reid, Senior Manager – Grant Thornton (External Auditors)

1. Apologies

Apologies were received from Councillor J. Johnson

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 01 April, 2014 be approved as a correct record and signed.

4. Strategic Risk Register

Consideration was given to Report of Head of Governance (Item 4.1 – 4.12 of the Official Minutes of the Council).

The Head of Governance drew Members' attention to the Council's risk profile as at 31 March 2014 compared with 31 December 2013, advising that two risks, *'Failure to achieve an adopted Local Plan for the District'* and *'Viability / Funding of Cannock Chase Council arising from the 2013 spending review'* had been removed from the profile as the necessary actions had been addressed, although the latter risk had been replaced with an updated version to reflect ongoing concerns with public expenditure reductions.

RESOLVED:

That the report be noted.

5. Review of the Effectiveness of Internal Audit

Consideration was given to the Report of the Head of Governance (Item 5.1 – 5.5 of the Official Minutes of the Council), *presented by the Chief Internal Auditor*.

The Chief Internal Auditor advised Members that 2014 was the first year the review had been undertaken using the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note, and that overall, Internal Audit was found to be generally compliant with the required standards.

Councillor Dudson asked if the areas which had been identified as requiring improvement were being acted on?

The Chief Internal Auditor replied that work was already underway, and drew Members' attention to the improvement action plan outlined at Appendix 3 of the report.

RESOLVED:

That:

- (A) The findings of the annual review of the effectiveness of Internal Audit for 2013-14 be noted.
- (B) Internal Audit is operating effectively and can be relied upon when considering the Annual Governance Statement for 2013-14.

6. Internal Audit Annual Report 2013-14

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

The Chief Internal Audit drew Members' attention to the Annual Report, focussing initially on the sections which covered '*review of control environment*' and '*significant issues arising 2013-14*'.

In respect of paragraph 3.6 of the Annual Report, Councillor Dudson queried if managers were considered to be overworked at present?

The Chief Internal Auditor explained that the issue related to managers having to increasingly prioritise what they do due to increasing workloads; not that they were overworked per se.

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The Head of Governance further replied that this issue was not being raised for the Committee to specifically consider at this stage as work was first going to

be undertaken with Leadership Team to try and resolve the issue.

Councillor Bottomer raised concern that there could be further slippage in operational processes if the issue was not dealt with quickly.

The Head of Governance replied that the review with Leadership Team will look into what work can/must still be done, and what was not a priority / high risk.

Councillor Molineux asked whether specific departments were affected or it was just a general issue?

The Head of Governance replied that it was a general issue at present, although specific examples of problems had been identified.

The Chief Internal Auditor then referred Members back to the Annual Report, focussing on 'audit performance', 'fraud & irregularity work', and 'review of the effectiveness of internal audit' and 'audits planned and completed in 2013-14 by assurance level'.

In respect of paragraph 6.4 of the Annual Report, Councillor Dudson queried if training undertaken by the Internal Audit team had an effect on the team's overall workload?

The Chief Internal Auditor replied that training time was always built into the annual audit plan, so the team's workload was not adversely affected.

RESOLVED:

That the Internal Audit Annual Report 2013-14 be noted.

7. Annual Governance Statement 2013-14

Consideration was given to the Report of the Head of Governance (Item 7.1 – 7.20 of the Official Minutes of the Council).

A revised version of the Annual Governance Statement (AGS) was circulated at the meeting for Members' reference.

The Head of Governance advised that work on and rollout of the Council's Values and the members' training/development survey had been removed from the AGS, but would still be addressed by officers..

Councillor Bottomer commented that the governance issue of 'welfare reforms' could be difficult to complete as changes were still ongoing.

The Head of Governance advised that it was going to take time to fully assess and manage the impact of the welfare reforms.

RESOLVED:

That Council, at its meeting to be held on 16 July 2014, be recommended to approve the Annual Governance Statement for 2013-14.

Reason for Decision

The Accounts and Audit Regulations 2011 require the Council to review at least once in a year the effectiveness of its system of internal control and to approve an Annual Governance Statement.

8. Annual Treasury Management Report 2013-14

Consideration was given to the Report of the Head of Finance (Item 8.1 – 8.8 of the Official Minutes of the Council), *presented by the Deputy Head of Finance..*

RESOLVED:

That:

(A) The actual 2013/14 prudential and treasury indicators as detailed in the report be approved.

(B) The Annual Treasury Management Report for 2013/14 be noted.

9. External Audit – Audit Fees for 2014-15

The Committee received for information a letter from Grant Thornton, External Auditors (Item 9.1 – 9.4 of the Official Minutes of the Council), which outlined the audit fees payable by the Council for 2014-15.

Andrew Reid advised Members that the final grant certification fee for 2013/14 was likely to be less than the figure quoted in the letter.

RESOLVED:

That the Letter be noted.

10. External Audit – Grant Certification Report 2012-13

Consideration was given to the Report of the External Auditors (Item 10.1 – 10.12 of the Official Minutes of the Council).

Andrew Reid drew Members' attention to Appendix A of the report and highlighted that no qualification being necessary for Housing and Council Tax Benefit was positive for the Council.

RESOLVED:

That the Report be noted.

11. External Audit – Grant Certification Work Plan 2013-14

Consideration was given to the Report of the External Auditors (Item 11.1 – 11.8 of the Official Minutes of the Council).

Andrew Reid advised Members' that the work undertaken during 2013/14 had reduced compared to 2012/13 as certification of National Non-Domestic Rates was no longer a requirement. He further advised that the current indicative work fee was approximately £16,000, but expected this to be lower.

The meeting closed at 4:57pm

CHAIRMAN