

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
TUESDAY 23 SEPTEMBER 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)

Hardman, B. Preece, J.
Molineux, G.N.

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

12. Apologies

Apologies for absence were received from Councillors A. Dudson and J.P. Johnson.

13. 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.

14. Minutes

RESOLVED:

That the Minutes of the meeting held on 24 June, 2014 be approved as a correct record and signed.

15. Audit Findings for Cannock Chase District Council

Consideration was given to Report of the External Auditors (Item 4.1 – 4.31 of the Official Minutes of the Council).

Grant Patterson and Andrew Reid took Members through the report, drawing attention to the following key matters:

- Audit work on council tax and employee remuneration had been completed since the production of the report, with no significant issues

being identified.

- An 'amber' assessment had been given for the accounting area of 'Judgements and Estimates – Property, Plant and Equipment' as the method of valuing assets used by the Council was not considered to be fully in line with national and international auditing requirements, although it was recognised that the valuation figures produced did not differ materially from the fair value of assets as at 31 March 2014.
- Although a small number of adjustments were required to the Statement of Accounts following audit, no significant errors were found.
- Work had been undertaken by the Council in respect of the recommendations in the 2012/13 report regarding historic section 106 monies, however as further work was required, they had been carried over into the report for 2013/14.
- In respect of value for money performance, all six themes have been rated as having 'adequate arrangements' in place for 2013/14, compared to 2012/13 when 'strategic financial planning' was rated as 'adequate arrangements, with areas for development'.
- Anticipate that once all relevant work has been completed, the Council will be provided with an unqualified and unmodified audit report.

RESOLVED:

That the report be noted.

16. Statement of Accounts 2013/14

Consideration was given to the Report of the Head of Finance (Item 5.1 – 5.6 + separate booklet of the Official Minutes of the Council).

The Head of Finance drew specific attention to Business Rates appeals, advising that provision had been built into the accounts for claims to be made back to 2005, however only existing businesses could apply, and had until 2017 to do so. Going forward, provision had been built into the budgets for 2014/15, 15/16 and 16/17.

In response to the matters of asset valuation and S106 monies raised by the external auditors, the Head of Finance advised that to conduct annual asset reviews would cost the Council approximately £50,000 to £60,000 and be of little benefit, so would not represent value for money. In relation to S106 monies, the work arising out of the recommendations was nearly complete.

Councillor Molineux asked if depreciation of assets was calculated against the likely lifespan of them.

The Head of Finance replied that this was the case, particularly for plant vehicles (such as waste collection trucks).

The Principal Corporate Account further replied that if assets were still being used after five years or once full depreciation value had been reached, then the Council were required to show that they were being used effectively.

RESOLVED:

That the audited Statement of Accounts for 2013/14 be approved.

17. External Audit of the Statement of Accounts 2013/14

Consideration was given to the Report of the Head of Finance (Item 6.1 – 6.8) of the Official Minutes of the Council).

The Principal Corporate Accountant reported that assets valuations were undertaken on a five-yearly cycle by reviewing the Council's entire assets portfolio and spreading the value evenly across the five years.

Andrew Reid advised the Committee that the audit fee payable by the Council had increased by £900 for the year to cover additional work required to audit Business Rates fees variations. The fee increase had been set by the Audit Commission and applied to all district councils.

RESOLVED:

That the report be noted.

18. Internal Audit – Q1 Report 2014-15

Consideration was given to the Report of the Chief Internal Auditor (Item 7.1 – 7.2 + Appendix 1 of the Official Minutes of the Council).

The Chief Internal Auditor reported that completion of the work programme for quarter 1 was slightly behind plan, but expected that this would not affect completion of the full year's programme.

Councillor Molineux requested that the Committee be kept up to date if problems with use of Purchasing Cards were still ongoing.

The Chief Internal Auditor replied that only a small number of cards were in use, so only a few issues had arisen. There was however a lot of good practice in place, which included support and monitoring by the Finance team of the cards being used.

RESOLVED:

That the report be noted.

19. Strategic Risk Register

Consideration was given to the Report of the Head of Governance (Item 8.1 – 8.3 + Appendices 1 and 2 of the Official Minutes of the Council).

The Head of Governance reported that at the end of quarter one all four strategic risks were rated amber. Risk 18, *'viability/funding of Cannock Chase Council as a result of public expenditure reductions'*, had been reduced from red status, as issues concerning Business Rates pooling had been resolved. In terms of progress, three risks were on target to be reduced, and risk 16, *'lack of suitable land to create additional burial space within the district'* required further work.

RESOLVED:

That the progress of actions against each identified risk be noted.

The meeting closed at 4:40pm

CHAIRMAN