

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
MONDAY, 16 AUGUST, 2010 AT 4.00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT: Councillors

Alcott, G. (Vice-Chairman in the Chair)

Burnett, G. Easton, R.
Easton, Mrs. D.M.

Also Present: Mr. G. Patterson, District Auditor, Audit Commission
 Ms. E. Mayne, Audit Manager, Audit Commission

10. Apologies

Apologies for absence were received from Councillors G. D. Ball (Chairman) and J. Burnett.

11. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

No declarations of interests were submitted

12. Minutes

RESOLVED:

That the Minutes of the meeting held on 28 June, 2010 be approved as a correct record and signed.

13. Strategic Risk Register

Consideration was given to the Report of the Director of Service Improvement (Enclosure 4.1 – 4.4 of the Official Minutes of the Council).

Mrs. J. Byle the Risk & Resilience Manager reported that a major review of the Strategic Risk Register had been carried out and a number of risks had been removed, reworded or merged with other risks. Due to the number of changes a new Strategic Risk Register had been drawn up. The Strategic Risk Register was likely to change over the coming months as the financial situation nationally and for the Council became clearer. There were now a total of 11 strategic risks, compared to the 21 in the last quarter.

An exception report which identified the actions completed or planned to improve progress had been included with the report for the risk with a residual score of 20. Exceptions reports for the two new risks scoring over 15 would be provided to the next meeting if they continued to be

high. Councillor G. Burnett asked why the risk about the budget process was so high. It was explained that the Delivering Change process used to assist in determining the budget in previous years was not considered to be fully appropriate for use this year given the scale of the savings which were likely to be necessary. The process was therefore being subject to modification and until such time that this had been finalised and the level of savings known, this would be considered a high risk. The Head of Financial Management would be requested to attend the next meeting of the Committee to provide information on the financial situation.

RESOLVED

- (A) That the Strategic Risk Register be noted.
- (B) That the Head of Financial Management be requested to attend the next meeting to provide information on the financial situation.

14. Internal Audit – Quarter 1 Report for 2010-11

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 2 audits had been completed to draft stage and a further four audits were in progress. Although the section was slightly below target this was offset by more audits being in progress than anticipated. The Committee was informed that it was anticipated that 26 audits would be carried out during the year, although this could be subject to change.

Internal Audit had also carried out a number of follow ups in relation to reviews undertaken in the previous six months to examine progress made on implementing the recommendations made.

It was confirmed that the Audit of the CCTV related to the IT system only. Members asked if an audit of the management of CCTV and social alarms could also be carried out, The Head of Governance and Organisational Development advised that this was being considered.

RESOLVED:

That the Committee notes the contents of the Internal Audit Report for Quarter 1 of 2010-11.

15. Annual Governance Statement Progress Report

The Head of Governance & Organisational Development explained that the report detailed the progress made against each of the significant governance issues identified in the Annual Governance Statement for 2009-10.

Of the 6 significant governance issues identified, 3 showed significant progress being made and were on target for completion, some progress was being made on 2 and no action had, as yet, been taken on 1 issue.

It was reported that with regard to the Equality and Diversity framework and Community Engagement Strategy being developed, discussions were ongoing to identify an officer to take the lead on these.

Concern was raised with respect to the apparent conflicting information in parts of the

Constitution. The Committee was informed that this was currently being reviewed and was on target for completion by December 2010.

16. Audit Commission Progress Report

Consideration was given to the Report of the Audit Commission (Enclosure 7.1 – 7.10 of the Official Minutes of the Council).

Mr. G. Patterson, District Auditor, Audit Commission informed the Committee that it had been recommended to the Prime Minister that the Audit Commission should cease. The full implications of this were being looked into and it appeared, from press releases, that this would take effect from 2012. Once the position had been clarified the Audit Commission would report back to the Committee. In the interim period it was considered that there would not be any significant changes.

Ms. E. Mayne, Audit Manager, Audit Commission, informed the Committee that they had continued to monitor the Council's performance and update the on-going risk assessment which supported the work they were required to undertake in order to provide their opinion and Value for Money conclusion. Meetings had been held with the Chief Executive and other key officers to report their findings and judgements. There were no proposed changes to the 2009/10 Audit fee.

A detailed opinion plan had been prepared which had been agreed with the Head of Financial Management. The audited accounts and the Annual Governance Report would be presented to the Committee, prior to the opinion being given, at the meeting in September 2010.

From 2010/11 local government would be required to prepare accounts in accordance with International Financial Reporting Standards (IFRS) and processes were being put in place in order for this to be achieved by the Council. Ms. Mayne advised that the Committee should to continue to monitor this.

The Committee was informed that a number of questions from members of the public and Councillors regarding the activities of the Council had been received since the Audit Commission's appointment in 2008. Since the last meeting a further question had been received making a total of five relating to the 2009/10 financial statements. The work to address these questions was in addition to the agreed Audit Plan and additional fees would be raised to cover this work and this had been discussed with the Head of Financial Management.

Concern was raised that questions from members of the public were being discouraged by the Audit Commission. Mr. Patterson explained that it was more effective for questions to be initially put to the Council, and all other routes were explored before the Commission became involved due to the level of costs that could arise to the Council.

RESOLVED:

That the External Audit Statement of Audit Progress be noted.

CHAIRMAN

(The meeting closed at 4.50 p.m.)