

**CANNOCK CHASE COUNCIL**  
**MINUTES OF THE MEETING OF THE**  
**AUDIT AND GOVERNANCE COMMITTEE**  
**THURSDAY, 27 JANUARY, 2011 AT 2.30 P.M.**  
**IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK**

**PART 1**

PRESENT: Councillors

Ball, G. D. (Chairman)  
Alcott, G. (Vice-Chairman)

Easton, Mrs. D. M.      Easton, R.

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

**33. Apologies**

An apology for absence was submitted on behalf of Councillor G. Burnett.

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

No declarations of interests were submitted.

**35. Minutes**

RESOLVED:

That the Minutes of the meeting held on 11 November, 2010 be approved as a correct record and signed.

**36. Annual Audit Letter 2009/10**

Consideration was given to the Annual Audit Letter (Enclosure 4.1 – 4.24 of the Official Minutes of the Council).

Mr. G. Patterson, District Auditor, presented the Annual Audit Letter 2009/10 to the Committee.

It was explained that the letter summarised the audit work carried out in the audit year 2009/10. One key change from the previous year was the absence of any scored judgements due to the Audit Commission suspending all work on Use of Resources following the Coalition Government announcement in May 2010 that it would abolish the Comprehensive Area Assessment (CAA).

The District Auditor reported that he had issued an unqualified opinion on the financial statements which meant that he considered that they gave a true and fair view of the Council's financial position and income and expenditure for the year ended 31 March, 2010.

The Council had made improvements against all of the priority areas in the Corporate Plan with the greatest successes being around children and young people, healthier communities and the collection of recyclables. It was reported that the level of local affordable housing had increased in 2009/10 providing the highest level in Staffordshire. The Council had provided 157 affordable homes exceeding its target of 75 homes. A Member commented that with the 'right to buy policy' the figures would not reflect the actual accurate position. Mr. Patterson informed the Committee that neighbouring authorities had struggled to provide additional affordable housing and it was considered that the Council had demonstrated an excellent performance. Performance in processing housing benefit claims remained over target and the Council had recently provided an outreach benefits service at local libraries and out of hours appointments to ensure improved access.

Concern was raised with respect to the affect changes to bank rates and inflation could have on reserves and balances. The Head of Financial Management explained that a thorough analysis was carried out of investments and that the Council did not have a great number of investments and therefore the balances would not be subject to huge fluctuations. With regard to inflation, currently there was a pay freeze on for staff, there could however be fluctuations in energy costs.

A Member asked whether it was considered that the Total Place project in the Blake area was proving successful. The Chief Executive explained that £64m had been spent on that area. Councillor Alcott informed the Committee that he had attended a meeting on the Blake project prior to attending this meeting. Partners had been working extensively over the last eighteen months to endeavour to address issues in that area. Officers had been looking at long term solutions and had drawn up a delivery plan which would be presented to the Members Board at the County Council who were overseeing the Blake project. It was considered important that the funding available for the Blake triangle area was used to its best value by all organisations and duplication avoided. Information was being sought on how much was spent per head of population in certain areas across Cannock Chase.

Concern was raised with respect to Leisure Services being run by the private sector. The Committee was informed that risk assessments would be carried out and due diligence given to any potential partner.

From the detailed announcement in December 2010, relating to the Coalition Government's Comprehensive Spending Review it was known that the Council would have a reduction to the formula grant of 14.8% in year 1 and 10.2% in year 2 (nearly £2m). The updated Medium Term Financial Plan reflected the expected decreases in Government funding. Work was ongoing to address this challenge, with the first phase of shared services with Stafford Borough Council recently being completed. It was reported that the Council had a sound basis for financial planning which was a key factor in it achieving its ambitions. However the process would only work effectively if there was a clear and consistent leadership from Members. Difficult decisions would need to be agreed and delivered and the longer term vision of the Council prioritised.

The Government had recently announced the creation of Local Enterprise Partnerships (LEP) which would promote economic development. Cannock Chase Council would be part of both

the LEP covering Birmingham and the Staffordshire and Stoke on Trent area.

It was reported that the Audit Commission, as part of a three year programme, planned to deliver cuts of approximately £70 million. The plan included fee reductions and it was estimated that the Council would have a fee rebate for 20010/11 and a lower fee for 20011/12. According to the current timetable it was likely that the Commission would cease by the end of 2012.

RESOLVED

That the Annual Audit Letter be received and noted

**37. Quarterly Treasury Report for Quarter 2 of 2010-11**

Consideration was given to the Report of the Head of Financial Management (Enclosure 5.1 – 5.13 of the Official Minutes of the Council).

RESOLVED:

That the contents of the report be noted.

**38. External Audit Statement of Audit Progress**

Consideration was given to the External Audit Statement of Audit Progress (Enclosure 6.1 – 6.17 of the Official Minutes of the Council).

Ms. E. Mayne, Audit Manager explained that the Audit Fee for 2010/11 had been agreed with the Chief Executive in April 2010. An audit strategy document would be prepared which when agreed with Senior Officers would be presented to the Committee for consideration. Shared Services with Stafford Borough Council would be a key issue for the Council and the Audit Commission. Changes to the Audit Fee had been agreed with the Head of Financial Management.

It was reported that the Audit Commission had delivered the work relating to the 2009/10 audit plan and was on target to deliver the audit plan for 2010/11. Any extra work the Commission had to undertake would be absorbed and there would not be any extra charges raised.

RESOLVED:

That the External Audit Statement of Audit Progress be noted.

**39. 2009/10 Certification of Claims and Returns Report**

Consideration was given to the letter from the District Auditor to the Head of Financial Management (Enclosure 7.1 – 7.5 of the Official Minutes of the Council).

The District Manager, explained that it had been decided to present the information in a more economical letter form rather than presenting a Report to the Committee. The audit team had certified six claims with a total value of £66m details of which were listed in appendices to the letter.

The Audit Commission would report back to the Committee any key issues that arose, which could lead to additional meetings needing to be scheduled.

RESOLVED:

That the 2009/10 Certification of claims and returns report letter be noted.

(The meeting closed at 3.30 p.m.)

---

CHAIRMAN