

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
TUESDAY, 23 JUNE, 2009 AT 3.00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK
PART 1

PRESENT: Councillors

Burnett, G. (Chairman)
Easton, Mrs. D.M. (Vice-Chairman)

Alcott, G. Easton, R.
Burnett, J.

Also Present: Representative of the Audit Commission

(An apology for absence was received from Councillor Mrs. P.Z. Stretton).

1. Minutes

RESOLVED:

That the Minutes of the meeting held on 31 March, 2009 be approved as a correct record.

2. Presentation – Role of the Audit & Governance Committee

The Head of Governance and Organisational Development gave a presentation on the role of the Audit and Governance Committee.

The presentation provided Members with details of the role and remit of the Committee, which was to provide independent assurance to the Council on the adequacy of the governance framework. The presentation also outlined the functions of the Committee, which were audit activity, regulatory framework and the review financial statements and accounts, the role of the Audit and Governance Working Group and the training that would be made available to Members.

Councillor Alcott was of the view that the Audit and Governance Committee should be an independent Committee and that the Annual Audit and Inspection Letter should be considered separately by the Cabinet and the Committee.

The Chairman stated that under normal circumstances separate meetings would be held for this purpose. However, Members of the Audit and Governance Committee were invited to attend the Joint Meeting of Cabinet and DMT to receive the Annual Audit and Inspection Letter presentation due to the previous meeting of the Committee being cancelled.

Having considered the presentation, Members were of the view that training for Members of the Committee should take place at the conclusion of each meeting throughout the year and that each session should focus on discrete or specific areas of the Committee's functions and responsibilities.

RESOLVED:

That training for Members of the Committee take place at the conclusion of each meeting throughout the year and that each session focus on discrete or specific areas of the Committee's functions and responsibilities.

3. Annual Audit and Inspection Letter 2007/08

Consideration was given to the Annual Audit and Inspection Letter 2007/08 (Enclosure 5 of the Official Minutes of the Council).

RESOLVED:

That the Annual Audit and Inspection Letter 2007/08 be received.

4. Strategic Risk Register

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

RESOLVED:

That the Strategic Risk Register be noted.

5. The Review of Effectiveness of the System of Internal Control

Consideration was given to the Report of the Chief Executive (Enclosure 7.1 – 7.2 of the Official Minutes of the Council).

RESOLVED:

(A) That the findings of the annual review of the effectiveness of the system of internal audit for 2008-09, be noted.

(B) That it be noted that the system of internal audit was operating effectively and could be relied upon when considering the Annual Governance Statement for 2008-09.

(C) That the action plan attached at Appendix 2 of the report be endorsed.

6. Internal Audit Annual Report 2008-09

Consideration was given to the Report of the Chief Internal Auditor (Enclosure 8.1 – 8.2 of the Official Minutes of the Council).

The Chief Internal Auditor referred to Paragraph 2.8 of the Internal Audit Annual Report 2008-09 in respect of the assurance given to the Council's governance arrangements, and reported that due to the fact that the Council's Streetscene Service was considered high risk and had been given limited assurance, a further internal audit inspection would be undertaken during 2009/10.

With regard to the Audit Section's performance against the audit plan, it was reported that whilst 100% of the revised audit plan had been achieved, there were a number of staffing issues within the Section which had resulted in 81% of the original plan being achieved.

Members were advised that a number of Council services were considered so low risk that they were not included within the audit plan or may only be audited every few years. However, this was dependant upon available resources and the level of reasonable assurance that could be given. Members were also advised that unexpected staff absences that may occur during the year may result in planned audits being removed from the audit plan, although the Section had a contingency budget available.

The Chief Internal Auditor reported that audit satisfaction levels had decreased this year although there was nothing significant to explain the decrease. The Section were, however, investigating using different methods in order to increase the number of satisfaction returns.

RESOLVED:

- (A) That the contents of the Internal Audit Annual Report for 2008-09 be noted.
- (B) That the Committee be provided with details of the audit performance of other local authorities.

7. Presentation – Corporate Governance

The Committee received a presentation from the Head of Governance and Organisational Development in relation to Corporate Governance.

The presentation outlined the definition of good governance, key documents, policies and procedures that made up the Council's governance framework, the principles of good governance, the responsibilities of those to ensure the delivery of good governance, the monitoring and reporting of governance arrangements and the Annual Governance Statement.

8. The Annual Governance Statement for 2008-09

Consideration was given to the Report of the Chief Executive (Enclosure 9.1 – 9.6 of the Official Minutes of the Council).

The Head of Governance and Organisational Development referred to the significant governance issues, together with the actions planned to address them set out in Annex 1 of the report.

Specific reference was made to the Council's ability to operate in the event of a disaster or emergency and Members were advised that the nature of the Council's role would vary depending upon the nature of the incident, as would the role of the Police, Fire Service and other organisations responsible for responding to emergencies.

RESOLVED:

That Council be recommended to approve the Annual Governance Statement for 2008-09.

9. Approval of Statement of Accounts

Consideration was given to the Report of the Head of Financial Management (Enclosure 3 of the Official Minutes of the Council).

The Head of Financial Management circulated at the meeting a summary analysis of income and expenditure for 2007-08 to 2008-09.

Members referred to the significant reduction in income for the Council's Planning and Building Control Services and sought clarification with regard to the action proposed to be taken by the Council in order to address the matter.

The Head of Financial Management explained that income in respect of planning applications and building regulations had reduced due to the recession and that the options available to address the situation were limited. One option would be to reduce the number of staff within the Section, although this was likely to create problems with the recruitment of staff once there was an upturn in the economy. The situation was being monitored on a month by month basis.

Members were keen to know how the recession had impacted on the Council's accounts.

The Head of Financial Management explained that the impact of the recession had been reflected in a reduction in income for a number of Council services, particularly Local Land Charges and Planning Services. He also indicated that pension fund assets had reduced, thereby impacting upon the future pension liability of the Council.

Members were also advised that the Statement of Accounts did not include details of the value of the Council's assets which were likely to have reduced due to the current economic downturn. Due to the resources involved and the Council's current financial position it had not been possible to undertake a recent valuation of the Council's assets and the Council's external auditors had been advised of this.

RESOLVED:

That Council be recommended to approve the Statement of Accounts for the financial year 2008-09.

CHAIRMAN