

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
MONDAY 17 AUGUST, 2009 AT 4.00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK
PART 1

PRESENT: Councillors

Burnett, G. (Chairman)

Alcott, G.

Burnett, J.

Also Present:

Mr. G. Patterson, District Auditor, Audit Commission
Ms. E. Mayne, Audit Manager, Audit Committee

10. Minutes

RESOLVED:

That the Minutes of the meeting held on 23 June, 2009 be approved as a correct record.

11. Presentation

Mrs. J. Aupers, Head of Governance and Organisational Development, and Mr. S. Baddeley, Chief Internal Auditor, gave a presentation to Members on the role and work of Internal Audit.

The presentation provided Members with an insight into why "Internal Audit" is necessary and the work the section undertakes.

Councillor G. Alcott expressed concern that recommendations made by Internal Audit may not be acted upon by the appropriate department. He was keen to know therefore if a further report would be produced by Internal Audit or if a report would come before the Audit and Governance Committee. The Chief Internal Auditor explained that a follow-up audit was undertaken, which is reported back to the Committee as part of the quarterly progress reports. If there are still concerns, Internal Audit would undertake a further follow-up and the outcome of this would be reported back to the Committee. At this stage, if there are still concerns about significant systems weaknesses, the Committee could consider asking the relevant Director / Head of Service to attend the next committee meeting to explain what they are doing to address the problem. In certain circumstances the Committee could ask the Director/Head of Service to attend after the first follow-up audit.

12. Internal Audit – IT Audit Plan and Risk Assessment for 2009-10

Consideration was given to the report of the Chief Internal Auditor (Enclosure 5.1 – 5.4 of the Official Minutes of the Council).

The Chief Internal Auditor presented the report to Members.

Councillor G. Alcott raised concern that Members were asked to provide passwords to the IT department when their old passwords had expired.

RESOLVED:

That the contents of the IT Audit Plan for 2009-10 be noted.

13. Internal Audit – Quarter 1 Report for 2009-10

Consideration was given to the report of the Chief Internal Auditor (Enclosure 6.1 – 6.2 of the Official Minutes of the Council).

The Chief Internal Auditor presented the report to Members.

Councillor G. Alcott referred to the audit areas under the Deputy Chief Executive's responsibility where there was a Limited level of Assurance and was keen to know why the audits had red risks. The Head of Governance and Organisational Development stated that the red risks related to the system and other Managers were responsible for the systems concerned.

It was reported that Internal Audit were currently trying to progress the IS/IT (IT Audit) and System Management Thematic audit areas. However, if there was no progress then it was likely that the audits would be escalated to the Committee.

RESOLVED:

That the contents of the Internal Audit Report for Quarter 1 of 2009-10, be noted.

14. Presentation

Mr. G. Patterson and Ms. E. Mayne, Audit Commission gave a presentation to Members on the role of External Audit.

The presentation provided Members with details of the statutory regulations in respect of external audit and the role of external audit in the public sector.

The Chairman referred to the late delivery of a report last year which meant Council had to reconvene to receive the auditor's opinion. Mr. G. Patterson said their work was planned to deliver the reports in time for the Audit & Governance Committee meeting. However, he advised the Committee of the process for making a complaint to the Audit Commission.

15. Statement of Audit Progress August 2009

Consideration was given to the report of the Audit Commission.

Ms. E. Mayne presented the report to Members. She stated that the Council had been provided

with an indication of the audit fee for 2009/10 however further detailed planning would be undertaken around October to form the audit plan for 2009/10 which would enable the Audit Commission to provide their opinion.

In response to a question raised by a Member, Mr. G. Patterson provided information regarding prudential borrowing and stated that the Audit Commission did have the power to stop something from happening if it was seen as unlawful. The Head of Governance and Organisational Development stated that both the Section 151 and Monitoring Officer provide financial and legal implications respectively for all committee reports and would take the necessary action if the Council were proposing to make a decision that was illegal.

RESOLVED:

That the report be noted.

16. Triennial Review of Internal Audit August 2009

Consideration was given to the report of the Audit Commission.

Ms. E. Mayne presented the report to Members.

The Chairman was keen to know if any vexatious questions would be addressed through the report. Mr. G. Patterson reported that a fee would not be charged to the Council for a small amount of work being undertaken with replying to questions and then provided information to Members on three questions that had been received with regard to the removal of recycling banks, allotments and Rugeley Swimming Pool funding.

RESOLVED:

That the report be noted.

17. Strategic Risk Register

Consideration was given to the report of the Chief Executive (Enclosure 10.1 – 10.3 of the Official Minutes of the Council).

The Head of Governance and Organisational Development presented the report to Members.

She advised Members that Risk 16, 'Failure to achieve national standards for equality and diversity' was not making the progress necessary due to a lack of resources. Although the Deputy Chief Executive is the Chair of the Project Action Team, there is not currently a specific lead officer with day-to-day responsibility for this. The Chief Executive is seeking to address this situation through a restructure in his secretariat.

The Chairman stated if no further progress was made on this risk by the next update, the Committee should make a request for the relevant officer to attend to explain the current situation and what action is being taken.

RESOLVED:

That the Strategic Risk Register be noted.

CHAIRMAN