

**CANNOCK CHASE COUNCIL**  
**MINUTES OF THE MEETING OF THE**  
**AUDIT AND GOVERNANCE COMMITTEE**  
**HELD ON TUESDAY, 27 MARCH, 2012 AT 4.00 P.M.**  
**IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK**

**PART 1**

PRESENT: Councillors

Burnett, J. (Chairman)  
Ball, G. D. (Vice-Chairman)

Fisher, P. A.                      Molineux, G. N.

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

**30. Apologies**

An apology for absence was received from Councillor G. Burnett.

**31. Declaration of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members**

No declarations of interests were made.

**32. Minutes**

RESOLVED:

That the Minutes of the meeting held on 24 November, 2012 be approved as a correct record and signed.

**33. Strategic Risk Register**

Consideration was given to the Report of the Chief Executive (Enclosure 4.1 – 4.4) of the Official Minutes of the Council).

The Risk and Resilience Manager gave an update on the strategic risks that the Council was facing in delivering its objectives and these were summarised in Appendix 1.

RESOLVED:

That the Strategic Risk Register be noted.

**34. Risk Nine – A Sustainable HRA Business Plan**

Consideration was given to the Briefing Note of the Head of Housing (Enclosure 5.1 – 5.13 of the Official Minutes of the Council).

The Head of Housing reported that a Sustainable 30 year HRA Business Plan had now been

formulated and adopted by Council on 15 February, 2012. As a result the risk would be removed from the Strategic Risk Register at the next review.

RESOLVED:

That the information provided in the Briefing Note be noted.

### **35. Internal Audit Quarter 3 Report of 2011-12**

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 explained that it was the third progress report to the Committee on the work carried out in 2011-12 by the Internal Audit Section and contained details of:-

- The performance of the section against the Internal Audit Plan for 2011-12 for the year to date
- A summary of the level of assurance issued for each of the reports that have been issued in the Quarter
- The results of the follow ups in the quarter; showing the original and the revised assurance level after the follow up had been completed.

RESOLVED:

That the contents of the Internal Audit Report for Quarter 3 of 2011-12 be noted.

### **36. Internal Audit Plan 2012-13**

Consideration was given to the Report of the Chief Internal Auditor (Enclosure 7.1 – 7.4 of the Official Minutes of the Council).

The Chief Internal Auditor went through the Report and its annexes outlining the relevant key issues. He advised that the Internal Audit Strategy and the revised Terms of Reference were currently being reviewed to produce common documents across Stafford BC and Cannock Chase DC for the Shared Internal Audit Service and these would be presented to the Committee when finalised. An amended copy of the Appendix detailing the resources available for the delivery of the Audit Plan across both authorities in 2012-13 was circulated at the meeting. Concern was raised by a Member in respect of the greater specific audits to be carried out at Stafford. The Chief Internal Auditor explained that there were more staff in the Internal Audit Section at Stafford and they provided a greater financial contribution than Cannock Chase.

RESOLVED:

- (A) That the Audit Plan for 2012-13 be noted.
- (B) That the level of risk that Internal Audit can review within existing resources and the coverage that this will give for providing an opinion for the Annual Governance Statement for 2012-13 be noted.

### **37. Annual Governance Statement – Progress Report**

Consideration was given to the Report of the Head of Governance (Enclosure 8.1 – 8.3 of the Official Minutes of the Council).

The Head of Governance explained that Annex 1 to the report gave details of the progress made against each of the significant governance issues in quarter 3 identified in the Annual Governance Statement. The Committee was advised that only two of the 6 issues had been delayed in being progressed due to the impact of the Shared Services Transformation work and both were provided for in the respective Transformation Plans and would be delivered in due course.

RESOLVED:

That the contents of the progress report on the Annual Governance Statement for 2010-12 be noted.

### **38. Audit Commission Progress Report – 2011-12**

Consideration was given to the External Audit Statement of Audit Progress. Emily Mayne gave an overview of the Statement, highlighting progress being achieved in delivering their responsibilities as the Council's external auditor.

It was explained that the Department of Work and Pensions had recently requested that the External Auditors provide a view on the corrupt file issue within the Council's Housing Benefit system and this work was expected to be completed by 3 April, 2012. Mr. Patterson explained that the Audit Plan set out the work for the 2011/12 audit and advised that any key audit risks identified would be brought to the attention of the Committee. The Committee was advised that the external auditors were on target to deliver the audit plan for 2011/12 as set out in appendix 1 to the report.

A query was raised with respect to Heritage Assets. Mr. Patterson explained that the Council would need to have an inventory of what assets it owned and what were on loan and ensure that adequate security and insurance measures were in place.

A Member asked for the opinion of the external auditors on how they considered shared services were progressing. Mr. Patterson advised that together with work they had carried out, they would take into account the findings of the Shared Services Working Group, and report back accordingly to the next meeting of the Committee.

Mr. Patterson gave a summary of the Certification of claims and returns – annual report which was included within the Progress Report. The Committee was informed that a copy of the annual audit fee 2011/12 was also provided as an annex to the report.

The Committee was updated by Mr. Patterson on the externalisation of the Audit Practice and was informed that Grant Thornton (UK) LLP had recently been awarded a 5 year contract for the West Midlands by the Audit Commission. Firms awarded contracts had been instructed by the Audit Commission not to initiate any communication with audited bodies in their contract area until the statutory consultation process on auditor appointments for 2012/13 had been completed.

RESOLVED:

That the contents of the External Audit Statement of Audit Progress 2011-12 be noted.

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CHAIRMAN

The meeting closed at 5.05 p.m.

