

**CANNOCK CHASE COUNCIL**  
**MINUTES OF THE MEETING OF THE**  
**AUDIT AND GOVERNANCE COMMITTEE**  
**MONDAY 23 FEBRUARY, 2008 AT 3.00 P.M.**  
**IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK**  
**PART 1**

PRESENT: Councillors

Williams, Mrs. P. (Chairman)  
Burnett, G. (Vice-Chairman)

Alcott, G.                      Easton, R.  
Ball, G.D.                      Davis, Mrs. M.A.

The Chairman welcomed Declan Hoare, Director of Service Improvement, Tony McGovern, Director of Organisational Improvement and Paul Evans, Audit Manager from the Audit Commission to the meeting

**22.            Minutes**

RESOLVED:

That the Minutes of the meeting held on 4 December, 2008 be approved as a correct record.

**23.            Strategic Risk Register**

Judith Aupers, Head of Governance and VFM and June Byle, Insurance and Risk Manager gave a presentation to Members on An Introduction to Risk Management.

The presentation included the definitions of risks, an overview and examples of what risk management was and the role of the Audit and Governance Committee in respect of risk management.

Consideration was then given to the Report of the Chief Executive (Enclosure 4.1 – 4.5 of the Official Minutes of the Council).

The Head of Governance and VFM reported that there were currently a total of 20 strategic risks.

She reported that at the last meeting Members expressed concern at the number of risks that scored 15 or more and a progress report had been requested on what action had been taken to address the risks. Reports were therefore provided on the following risks: -

Risk 16 – Failure to achieve the national standards for equality and diversity (Deputy Chief Executive).

The Head of Governance and VFM reported that an action plan was currently being prepared to meet the requirements of the equalities framework.

Risk 17 – Misalignment between customers' perception and reputation of the Council as a whole compared to customer satisfaction with specific services (Director of Service Improvement).

The Director of Service Improvement provided information on a customer satisfaction action plan which had recently been agreed by Directors' Management Team (DMT). The plan provided information on work which had been undertaken on improving customer satisfaction and the Council's reputation. He stated that problems existed in the local community where overall satisfaction and the reputation of the Council was not as good as the Council would expect, mainly due to the need to be identified as a single Council that was providing a range of services such as grass cutting and a need for the public to identify that it was the Council carrying out the service. Generally for example, there were high levels of satisfaction with leisure services and housing but low levels with the Council overall. He stated that the Local Government Association (LGA) had carried out research on customer satisfaction for a range of Council's and would be carrying out the same for Cannock Chase Council given that few organisations carried out this type of work apart from MORI.

Members discussed a number of issues which included the public's perception of what services were carried out by the County Council and District Council. The Director of Service Improvement stated that the Council could consider the use of signage used by contractors on vehicles and partnership branding. The Director of Service Improvement stated that a style guide was currently being worked on by the PR department, however Members were of the opinion that costs would need to be considered if there were any changes with the corporate style.

Members asked what was being done to reduce the risk. The Director of Service Improvement stated that if the public were aware of the services provided then the reputation of the Council would improve, and this therefore would reduce the risk.

Risk 4 – Inadequate physical assets available to deliver Council objectives (Deputy Chief Executive).

It was reported that the asset management plan was currently being prepared and was nearing completion. It was hoped that the plan would be implemented with effect from April 2009.

Members were keen to know if there was a full and complete asset register of all the Council's assets and also enquired as to what land the Council owned. The Head of Governance and VFM stated that there were registers of the Council's assets. She also stated that she would liaise with the appropriate Officer concerning the land owned by the Council.

Risk 18 – Fragmented approach to the protection of vulnerable people (i.e., children and adults) in receipt of Council services (Deputy Chief Executive).

The Director of Organisational Improvement reported that the draft policy for the protection of the vulnerable had been presented to the County Council. The report had also previously been received by Members at the Children and Young People's Policy Development Committee which included a recommendation that CBR checks be carried out on Councillors. He stated that the Committee felt that CRB checks should be carried out; however the legal position was currently being clarified.

Members were keen to know why CRB checks were required when the Council did not have a Children's Service. It was pointed out that on some occasions Members did have involvement with children for example at the recent Lantern Parade held at the Council.

Risk 2 – Inability of the Council to respond to a major incident and/or to operate in full or in part in the event of an unforeseen disaster/emergency (Director of Governance).

Members enquired who was responsible for the arrangements if a major incident occurred. The Head of Governance and VFM stated that the lead officer would usually be the Chief Constable or the Chief Fire Officer if the incident was on a large scale. Whilst the Council also had a role to play in responding to a major incident, its main one was in supporting the community in the recovery phase.

She reported that work was in progress on developing business continuity plans and it was hoped that the operational plans would be in place by April 2009 and the corporate business continuity plan in place by June 2009.

It was also reported that awareness training would be undertaken with the public in relation to what would happen in the event of a disaster or emergency. She stated that issues with IT systems were being investigated and concerns were raised by Members regarding the Council's main switchboard and the time taken to respond to calls.

The Head of Governance and VFM advised Members that a leaflet was currently being produced relating to contact details for out of hours emergencies.

Risk 21 – Economic downturn may have an impact on the Council's ability to deliver services to residents (Chief Executive).

The Head of Governance and VFM reported that the Local Area Agreement delivery plans were being reviewed to consider the impact of the economic downturn.

Members asked if the Committee should have a greater role in assessing the risks. The Head of Governance and VFM stated that the Committee were responsible for looking at the process, and that the Committee were having an impact in how the Council was managing its risks.

RESOLVED:

- (A) That the Strategic Risk Register, be noted

(B) That the progress made in addressing the risks with a score of 15 or more, be noted

**24. Annual Governance Statement – Progress Report**

Consideration was given to the Report of the Chief Executive (Enclosure 5.1 – 5.3 of the Official Minutes of the Council).

The Head of Governance and VFM reported on the Significant Governance Issues – Progress Update.

Item 5 – It was reported that there were 2 aspects of VFM, one was the development of a procurement strategy which would hopefully be completed by April 2009, and work would commence later this year on a programme of VFM reviews.

Item 6 – It was reported that an action team had been established and the draft governance framework for partnerships was expected to be completed by 30 April 2009.

RESOLVED:

That the contents of the progress report on the Annual Governance Statement for 2007/08, be noted.

**25. Internal Audit – Quarter 3 Report for 2008-09**

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

Stephen Baddeley, Chief Internal Auditor reported that there were 21 planned audits in quarter 3, with 12 being complete and 8 in progress.

He reported that one member of staff had now finished training and had passed her final exams.

He also stated that there were 50 contingency days in the original plan for consultancy and ad-hoc work for the whole year, and the section had spent 25 days on special investigations, 35 days on standards investigations, 10 days on financial appraisals and final account reviews and 18 days on general consultancy work which totalled 86 days up to the end of the third quarter.

He then outlined the audits completed, of which 3 had been given limited and 2 a qualified level of assurance.

With regard to the Leisure Centres Members were keen to know if there was consistency between the process and systems used at both of the Leisure Centres. The Chief Internal Auditor stated that some of the weaknesses were in areas where different procedures were used; with regard to stock control issues procedures were adequate at Rugeley Leisure Centre and the main issues surrounding the catering function and retail stock at Chase Leisure Centre.

He reported that a meeting was to be held on Thursday 26<sup>th</sup> February with Managers and to discuss the issues in more detail. However it was acknowledged that significant progress had already been made in relation to the reconciliation and recording of hours worked following this issue being identified, and the Leisure Centre Manager had ensured that tighter processes were in place.

The Chief Internal Auditor also reported on the Follow-ups Completed and the Revisions to the Audit Plan

RESOLVED:

- (A) That the contents of the Internal Audit report for Quarter 3 of 2008-09, be noted.
- (B) That information be provided to Members of the Committee on the expenditure for the use of agency staff over the past 12 months.

**26. Amended Audit and Inspection Plan – 2008-09**

Consideration was given to the Amended Audit and Inspection Plan – 2008-09 (Enclosure 7 of the Official Minutes of the Council).

RESOLVED:

That the Amended Audit and Inspection Plan – 2008-09, be received.

**27. Presentation on the Role of Audit**

A presentation was given to Members from Paul Evans of the Audit Commission on the role of External Audit.

Mr. Evans reported on the statutory framework and the requirements governing the audit and inspection work.

He reported that external audit was appointed by the Audit Commission who had an independent view of accounts, governance and performance and reported to those charged with governance.

Information was provided on the audit commission paper on respective responsibilities and the Council's responsibility for financial statements.

He reported that the auditors' responsibilities for financial statements included whether they were presented fairly, the Value for Money conclusion and whether they had been prepared in accordance with relevant legislation.

Mr. Evans also stated that grant claims would be audited to include housing benefit, Council tax benefit claims and benefit subsidy claims.

Members were given the opportunity to ask questions in respect of the presentation.

Members sought clarification in respect of how the Audit Commission prioritised audits and whether or not the Committee could question the Audit Commission. Mr. Evans provided information on the financial systems and controls and also explained that a threshold for accounts would be set at 1%. Anything above would be tested and anything below would be tested on a sample basis. He also stated that the Committee could question the Audit Commission in respect of the publication of the accounts and any other matter could be reported for the auditor's attention.

The Head of Governance and VFM reported that a further meeting of the Committee was required to receive the Annual Audit Plan for 2009-10.

RESOLVED:

That an additional meeting of the Committee be scheduled for 31 March, 2009.

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CHAIRMAN