

**CANNOCK CHASE COUNCIL**  
**MINUTES OF THE MEETING OF THE**  
**AUDIT AND GOVERNANCE COMMITTEE**  
**HELD ON TUESDAY 27 NOVEMBER 2018 AT 4:00 P.M.**  
**IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK**

**PART 1**

PRESENT:  
Councillors

Grice, Mrs. D. (Chairman)  
Dudson, Miss M.J. (Vice-Chairman)  
Crabtree, S.K.     Stretton, Mrs. P.Z.  
Johnson, J.P.     Tait, Ms. L.

Also Present:

- Richard Percival, Associate Director, Grant Thornton (External Auditors)

**17. Apologies**

Apologies for absence were submitted for Councillor J.L. Bowater.

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

No Declarations of Interests were made in addition to those already confirmed by Members in the Register of Members' Interests.

**19. Minutes**

RESOLVED:

That the Minutes of the meeting held on 26 July, 2018, be approved as a correct record and signed.

**20. Internal Audit Quarter 1 & 2 Report 2018/19**

Consideration was given to the Report of the Chief Internal Auditor & Risk Manager (Item 4.1 – 4.4 of the Official Minutes of the Council).

The Chief Internal Auditor & Risk Manager took Members' through the following aspects of the report and provided updates where necessary:

- Audit Plan progress (Appendix 1);
- Audits Completed in Quarters 1 and 2 (Appendix 2);
- Audits in Progress (Appendix 3);
- Audit Follow-ups Completed in Quarters 1 and 2 (Appendix 4);

- IT Audit Plan (Appendix 5).

A Member queried whether councillors had a role in Internal Audit beyond the meetings of the Committee. The Head of Governance and Corporate Services replied that Members had no other role at present, but in some other local authorities and Independent Member was appointed to the audit committee. The External Auditor further replied that the role and remit of an Independent Member varied across those councils that had such persons in place, but could provide a means of 'external scrutiny' to a council's internal audit function. It was then agreed that this matter be placed on the agenda for the March 2019 meeting of the Committee for further consideration.

Another Member then queried if a follow-up review was undertaken when an audit was given a 'partial' assurance rating. The Chief Internal Auditor & Risk Manager replied that all audits rated 'limited' or 'partial' were followed-up and progress updates reported to the Committee. If the assurance rating remained unchanged after the follow-up, a further review would be undertaken after 6 months. The Head of Governance and Corporate Services further replied that any particular issues of concern could be brought to the Committee for consideration.

RESOLVED:

That:

- (A) The Internal Audit Report for Quarters 1 and 2 of 2018/19 be noted.
- (B) The IT Audit Plan as set out in Appendix 5 of the Report be approved.

## 21. Strategic Risk Register

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 5.1 – 5.4 of the Official Minutes of the Council) (*presented by the Chief Internal Auditor & Risk Manager*).

The Chief Internal Auditor & Risk Manager drew Members' attention to the Council's risk profile as at 30 September, 2018 (referenced in paragraph 3.1 of the report), advising that the rating for the red risk remained unchanged due to ongoing external uncertainty about the long term future of local government funding.

Paragraph 5.6 of the report set out the progress made in managing each of the five strategic risks.

A Member queried if the rating for the risk concerning the Council's management/officer capacity would change as a result of the Corporate Assets Manager post being appointed to. The Head of Governance and Corporate Services replied that it could possibly change, however this risk was an ongoing issue for the Council. Capacity was in place at the moment to be able to deliver the projects in the Priority Delivery Plans and day-to-day matters, however this could change if any unexpected matters arose.

RESOLVED:

That the progress made in the identification and management of the strategic risks be noted.

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

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 6.1 – 6.10 of the Official Minutes of the Council).

The Head of Governance and Corporate Services drew Members' attention to paragraph 3.1 of the report, which set out the progress made on delivering the actions attributed to the 11 significant governance issues as detailed in the Annual Governance Statement 2017-18. Members were then taken through the progress updates for each individual issue as detailed in Appendix 1 of the report.

RESOLVED:

That the contents of the progress report on the Annual Governance Statement for 2017-18 be noted.

## **23. Annual Audit Letter for Cannock Chase Council 2017/18**

Consideration was given to the Report of the External Auditors (Item 7.1 – 7.13 of the Official Minutes of the Council).

The External Auditor took Members through the following aspects of the 'executive summary' as detailed on reports pages 3 and 4:

- Materiality;
- Financial Statements opinion;
- Whole of Government Accounts;
- Use of statutory powers;
- Value for Money arrangements;
- Certification of Grants;
- Certificate

The hard work of the Council's Finance team to produce the financial statements by the new, earlier deadline of 31 July had also been noted.

RESOLVED:

That the Report of the External Auditors be noted.

## **24. Progress Report and Emerging Issues and Developments for Cannock Chase Council**

Consideration was given to the Report of the External Auditors (Item 8.1 – 8.13 of the Official Minutes of the Council).

The External Auditor provided Members with a brief overview of the following aspects of the report:

- Progress at November 2018 on audit work and other matters;
- Audit Deliverables;
- Sector update;
  - Grant Thornton publications;
  - Insights from local government sector specialists;
  - Reports of interest;
  - Accounting and regulatory updates.

A Member queried when the main audit work for the year was due to take place. The External Auditor replied that some initial work would take place before the end of 2018, and the main work would happen between January and March 2019.

RESOLVED:

That the Report of the External Auditors be noted.

The meeting closed at 4:30 p.m.

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CHAIRMAN