

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD ON TUESDAY 3 DECEMBER, 2019 AT 4:00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT:
Councillors

Witton, P.T. (Chairman)
Cartwright, Mrs. S.M. (Vice-Chairman)
Crabtree, S.K. Johnson, J.P.
Fisher, P.A. Jones, Mrs. V.

Also present:

- Jim McLarnon, Engagement Manager, Grant Thornton (External Auditors)

17. Apologies

Apologies for absence were received from Councillor Mrs. P.Z. Stretton.

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

It was resolved that the Minutes of the meeting held on 29 July 2019 be approved as a correct record and signed.

20. Internal Audit – Quarter 1 and 2 Report 2019/20

Consideration was given to the Report of the Chief Internal Auditor & Risk Manager (Item 4.1 – 4.13 of the Official Minutes of the Council).

The Chief Internal Auditor & Risk Manager advised Members of the following in respect of the progress report:

- At the end of the quarter, 100% of planned audits had been completed, and it was expected that the full Audit Plan would be completed by year end;
- Of the audits completed, the following assurances ratings were given:
 - One limited;
 - Five partial;

- Two substantial; and
- One no rating (due to be an audit of an external body).
- In respect of the limited assurance audit, Members' were taken through the specific reasons as to why this rating had been given;
 - There were no matters of great concern to make Members aware of in respect of audits in progress and those followed-up in quarters 1 and 2.
 - The IT Audit Plan for 2019/20 was included for approval. This would ordinarily have been submitted to the Committee in March 2019 for approval, but was delayed due to an 'IT needs assessment' being carried out by the IT Audit Contractor, in consultation with the Head of Technology.

RESOLVED:

That:

(A) The contents of the Internal Audit Report for Quarter 2 of 2019/20 be noted.

(B) The IT Audit Plan, as set out in Appendix 5 of the report, be approved.

(Councillors S.K. Crabtree and J.P. Johnson arrived at the meeting during the consideration of this item.)

21. Strategic Risk Register

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 5.1 – 5.19 of the Official Minutes of the Council).

The Head of Governance and Corporate Services outlined to Members the following key aspects of the report:

- As at 30 September 2019, the rating for each of the Council's five strategic risks remained unchanged (1 red and 4 amber);
- In respect of risk 16, 'Impact of Welfare Benefit reform', the score for this had reduced since April 2019, and it was hoped that it could be removed from the register at year end as its impact had not been as great as first expected.
- In respect of risk 19, 'The organisation does not have sufficient Management / Officer capacity to deliver its corporate priorities and statutory duties', the Council's management capacity was being monitored and managed on an on-going basis, and a review of it was currently underway. Additionally, progress on delivering key projects was reported through the Priority Delivery Plans (PDPs) to Cabinet and Scrutiny.

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 – 6.9 of the Official Minutes of the Council).

The Head of Governance and Corporate Services advised Members that of the 9 significant governance issues identified, 7 were progressing well. 2 were behind schedule due to other matters taking priority during the year, these being:

- Employees' Code of Conduct – a draft had been prepared and would be considered by Leadership Team early in 2020;
- Contracts Register – this would be a big piece of work to undertake and linked to some similar work being carried out by Staffordshire County Council.

RESOLVED:

That the contents of the progress report on the Annual Governance Statement for 2018-19 be noted.

23. Treasury Management – Mid-Year Report 2019/20

Consideration was given to the Report of the Head of Finance (Item 7.1 – 7.17 of the Official Minutes of the Council).

The Head of Finance outlined to Members the following key aspects of the report:

- All of the Council's prudential indicators were being complied with, and it was expected that this would continue going forward.
- The Council's investments continued to perform well, and it was important to ensure these were kept secure and the Council was protected.
- The economic update included in Appendix 2 could change, but this was dependent on the outcome of the forthcoming General Election.

RESOLVED:

That the report, treasury activity and prudential indicators for 2019/20 be noted.

24. Cannock Chase District Council Annual Audit Letter 2018/19

Consideration was given to the Report of the External Auditors (Item 8.1 – 8.14 of the Official Minutes of the Council).

The External Auditor advised that the annual audit letter was a summary version of the audit findings report presented to the Committee in July 2019. As set out on page 3 of the report, an unqualified opinion had been given on the Council's financial statements and value for money arrangements, which was a positive outcome for the authority.

RESOLVED:

That the report of the External Auditors be noted.

25. Audit Progress Report and Sector Update

Consideration was given to the Report of the External Auditors (Item 9.1 – 9.14 of the Official Minutes of the Council).

The External Auditor advised that the report set out for Members the work undertaken by the audit team so far during 2019/20, work planned for the 2019/20 audit and the interim audit in January 2020. It was intended that the 2019/20 Audit Plan would be submitted to the Committee for consideration in March next year. Members were also advised that the certification of the Council's Housing Benefit Subsidy Claim had been submitted to the Department for Work and Pensions ahead of the statutory deadline.

In response to a question from a Member, the External Auditor advised that the level of materiality for the Council was initially determined during the planning meetings for future audits, with last year's figures used as a starting point. The level could be amended at the final report stage if needs be, but it was expected to again be approximately 2% of the Council's gross revenue expenditure.

RESOLVED:

That the report of the External Auditors be noted.

The meeting closed at 4:23 p.m.

CHAIRMAN