

**Cannock Chase Council**  
**Minutes of the Meeting of the**  
**Audit and Governance Committee**  
**On Monday 8 February 2021 at 4:00pm**  
**Held via Remote Access**

**Part 1**

PRESENT:  
Councillors

Stretton, Mrs. P.Z. (Chairman)  
Jones, Mrs. V. (Vice-Chairman)

Fisher, P.A.     Woodhead, P.E.  
Hughes, R.J.

Also present:

- John Farrar, Director, Grant Thornton (External Auditors)

**16. Apologies**

Apologies were submitted for Councillor Mrs. S.M. Cartwright.

**17. 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.

**18. Minutes**

The Minutes of the meeting held on 30 November 2020 were approved as a correct record.

**19. Internal Audit Progress Report 2020-21**

Consideration was given to the Report of the Chief Internal Auditor & Risk Manager (Item 4.1 – 4.9 of the Official Minutes of the Council).

The Chief Internal Auditor & Risk Manager advised that progress would normally have been reported earlier in the year, but this had been difficult to do so due to staff in the Internal Audit team being redeployed to support the response phase of the Covid-19 pandemic. As such, it had been necessary to review the audit plan for the year and bring forward to the Committee a revised version for approval, as set out in report Appendix 1.

The table in report paragraph 5.8 set out the assurance ratings given to each audit undertaken during quarter 3 of 2020/21. There had been issues with conducting these audits remotely due to Officers being busy with other tasks.

In respect of the audit given a limited assurance in the quarter, 'critical information systems not supported by IT', the reasons for this rating were set out in report Appendix 2, with a number of small weaknesses being identified rather than major issues. Also set out in the same Appendix was further details on those audits given a 'partial' assurance.

Appendix 3 listed the audits currently in progress, the outcomes of which would be reported to the Committee at a later date.

Resolved:

That:

- (A) The revised audit plan as set out in Appendix 1 of the report be approved.
- (B) The progress report be noted.

## **20. Strategic Risk Register**

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 5.1 – 5.27 of the Official Minutes of the Council).

The Head of Governance and Corporate Services advised that the register had been reviewed and updated at the end of October 2020 and submitted to Cabinet following that. Although progress had been made in delivering the actions for each risk, there had been no change to the overall ratings. The score for the risk related to the Council's key contracts had however been increased from 15 to 20, to reflect the impact the second lockdown would likely have on the financial viability of the Council's leisure services operator, Inspiring Healthy Lifestyles. This scenario still applied due to the third national lockdown being implemented at the start of January 2021.

Report Appendix 1 set out the summary position of the risks as at 31 October 2020, with further detail being provided in Appendix 2. The Council continued to manage and mitigate the risks as part of its pandemic response and recovery arrangements.

Resolved:

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

## **21. Annual Governance Statement Progress Update**

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 6.1 – 6.7 of the Official Minutes of the Council).

The Head of Governance and Corporate Services advised the report gave an update on progress made in delivering actions for the significant governance issues as set out in the Annual Governance Statement 2019/20. As referenced in report paragraph 3.2, significant progress had been made on four issues and some progress made on three others.

Report Appendix 1 set out further detail on the progress against each action, noting that in most cases work had been impacted due to focusing resource on dealing with the pandemic.

In respect of the issue 'implications arising from EU exit', it was expected that some progress will have been made on this by the time of the next update following the terms of the exit being agreed by the UK and EU.

Resolved:

That the contents of the progress report be noted.

## **22. Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy and Capital Strategy 2021-22**

Consideration was given to the Report of the Head of Finance (Item 7.1 – 7.38 of the Official Minutes of the Council).

The Head of Finance advised that the report had previously been presented to Cabinet on 28 January, and the recommendations from it were due to be considered at the budget Council meeting on 10 February. The report was before this Committee today to give Members the opportunity to scrutinise it.

The report and its recommendations supported the Housing Revenue Account and General Fund budget matters to be considered by Council on 10 February, and the borrowing required under those reports. It also set out measures put in place for how the Council's investments were managed. The economic outlook as included in the report was now out of date due to the ongoing impact of the Covid-19 pandemic, with the position changing on a weekly basis.

A Member thanked the Head of Finance for recognising in the report comments raised at the previous meeting about investments not contrasting with the Council's commitment to climate change.

In response to a query from a Member regarding the fact that there was no capital expenditure marked against the Health & Wellbeing portfolio (report paragraph 5.23), the Head of Finance advised that capital expenditure provision reflected planned initiatives and schemes due to come forward, and noted that projects within the Culture & Sport portfolio area could impact on health and wellbeing matters.

In response to a query from the same Member regarding the major repairs reserve (report paragraph 5.25), the Head of Finance advised that this was part of the funding for the Housing Revenue Account, and the amounts detailed were based on statutory determinations.

Resolved:

That the Report be noted.

The meeting closed at 4:20 p.m.

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CHAIRMAN