

**CANNOCK CHASE COUNCIL**  
**MINUTES OF THE MEETING OF THE**  
**AUDIT AND GOVERNANCE COMMITTEE**  
**ON MONDAY 29 JUNE AT 4:00 P.M.**  
**HELD VIA REMOTE ACCESS**

**PART 1**

PRESENT:  
Councillors

Stretton, Mrs. P.Z. (Chairman)  
Jones, Mrs. V. (Vice-Chairman)  
Cartwright, Mrs. S.M.    Hughes, R.J.  
Fisher, P.A.                Woodhead, P.E.

Also present:

- John Farrar, Director, Grant Thornton (External Auditors)
- Hamze Samatar, Manager, Grant Thornton (External Auditors)

**1. Apologies**

None.

**2. 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.

**3. Minutes**

That the Minutes of the meeting held on 3 December 2019 be approved as a correct record.

**4. Internal Audit – Annual Report 2019/20**

Consideration was given to the Report of the Chief Internal Auditor & Risk Manager (Item 4.1 – 4.25 of the Official Minutes of the Council).

The Chief Internal Auditor & Risk Manager reported that the Coronavirus pandemic had impacted upon the work of the Internal Audit team, advising that as many audits as possible had been completed remotely, but some had had to be delayed. Furthermore, the audit plan for 2020/21, which would have been approved at the cancelled meeting in March 2020, was in the process of being reviewed to take account of the changing risks being faced by the Council. The updated plan would be submitted to the Committee for consideration in due course.

In response to questions raised by Members concerning the 'limited assurance' given to the audit of the 'Management of Parks & Open Spaces' (as detailed in report Appendix 1A), the Chief Internal Auditor & Risk Manager advised that follow-up audits normally took place six months after the initial audit, with progress updates reported to the Committee and relevant timescales set out in actions plans to achieve the agreed recommendations. Furthermore, it was always aimed for recommendations to be implemented as quickly as possible, and it was expected that in respect of this audit, all actions should have been completed by now.

In response to a query from a Member concerning the 'IT Disaster and Backup Management' audit and the ICT related risks included in the Strategic Risk Register (SRR), the Head of Governance and Corporate Services advised that the two matters were not linked as the risks in the SRR were focussed on cyber security.

The Chief Internal Auditor & Risk Manager then advised that:

- A review undertaken of the Internal Audit function during the year had found it to be effective, with a few actions improvement, as set out in appendix 3 of the Annual Report;
- A 'partial assurance' rating had been given to the operation of the Council's governance arrangements. It had been noted that systems were generally operating ok, and although some areas needed work, no major problems with service delivery had been identified.
- 92% (24 out of 26) planned audits had been completed during the year, although as a result of the Covid-19 pandemic impacting upon the Council's services during the final quarter of the year, it had not been possible to complete all work in progress at that time.

In response to a query from a Member regarding the number of audits given a 'partial assurance' rating, the Chief Internal Auditor & Risk Manager advised that there were some concerns about this, but progress had been made in some areas towards completing agreed recommendations. A couple of services however required further follow-up audits to be undertaken.

In response to concerns raised by Members regarding the ongoing issue of Officer capacity across the Council, the Head of Governance and Corporate Services advised that she would report the Committee's concerns to Leadership Team.

RESOLVED:

That the Internal Audit Annual Report for 2019/20 be noted.

## **5. Strategic Risk Register**

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 5.1 – 5.21 of the Official Minutes of the Council).

The Head of Governance and Corporate Services advised that the strategic risk register was due to be considered by Cabinet for approval on 16 July, therefore minor changes may be required to the version presented to the Committee today.

The number of strategic risks had increased from 5 to 7, with the rationale for the changes set out in report paragraphs 5.6 and 5.7. A summary version of the updated register was shown in appendix 1, and the detailed register included at appendix 2. Some risks were still rated quite high at present due to current timescales linked to the response and recovery from the Covid-19 pandemic, and therefore could take longer to address.

In response to concerns raised by a Member that the right controls hadn't been applied for red rated risks C1 and C2, the Head of Governance and Corporate Services replied that it was too early to tell at this stage as the economic and financial positions of the Council and District were still unclear, and the general external environment was still unstable.

Furthermore, a request had been made by the Recovery Overview Board for monthly monitoring of the register to be undertaken, with quarterly updates reports present to Cabinet. These reports could also be circulated to the Committee for reference.

**RESOLVED:**

That the draft Strategic Risk Register and progress made in the identification and management of the strategic risks be noted.

## **6. Annual Governance Statement 2019/20**

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 6.1 – 6.20 of the Official Minutes of the Council).

The Head of Governance and Corporate Services advised that:

- The Statement mainly covered the 2019/20 financial year, but provided an element of forward planning to take account of the impact of Covid-19;
- It had not been practical to seek individual written assurances from each Head of Service this time, but Leadership Team as a whole had been consulted on the draft version of the Statement;
- A 'reasonable assurance' had been given for the operation of the Council's governance framework (section 5.1 of the Statement);
- Section 6 of the Statement set out the significant governance issues identified, noting that good progress had been made on returning the Council to normal democratic processes.
- In respect of the 2018/19 actions, these would be completed where possible, but it was not a priority to do so at this stage.

In response to a comment from a Member regarding a lack of specific timescales set for completion of actions identified, the Head of Governance and Corporate Services advised that it was not possible to set timescales at the moment, but this would be done in due course.

In response to a query from a Member regarding the assurances presented in the Internal Audit Annual Report and the Annual Governance Statement, the Head of Governance and Corporate Services advised that although different wording was used, the two were not at odds with each other. If Members found it helpful, then Officers could look at providing different terminology for next year's reporting.

RESOLVED:

That the Annual Governance Statement for 2019/20 be approved.

## **7. External Audit Plan Year Ending 31 March 2020 and Update**

Consideration was given to the Report and Letter of the External Auditors (Item 7.1 – 7.6 of the Official Minutes of the Council).

Due to the cancellation of the March 2020 meeting of the Committee, the External Auditors provided a brief overview of the following matters covered in the External Audit Plan (a copy of which was displayed for Members in the meeting):

- Significant risks;
- Materiality;
- Value for Money arrangements;
- Audit logistics; and
- Independence.

The External Audit Plan update, as included in the papers for the meeting, introduced a new significant risk from those previously identified to reflect the impact on the Council of the Covid-19 pandemic. Due to the timing of the when the pandemic occurred, it was likely associated risks would feature more greatly in the plan for 2020/21.

In respect of the audit of the accounts, the timetable had now changed so that local authorities had until 31 August to have their draft versions prepared, and CCDC was well on course to meet that deadline. The deadline to complete the audit was now end of November, and a number of issues to consider as part of completing that work had been set out in the letter to the s151 Officer.

RESOLVED:

That the report and letter of the External Auditors be noted.

## **8. External Audit Updates and Items for Information**

Consideration was given to the following documents submitted by the External Auditors for the Committee's information:

- Informing the Audit Risk Assessment (Item 8.1 – 8.30 of the Official Minutes of the Council);
- Closure and Audit of 2019/20 Accounts (Item 8.31 – 8.33 of the Official Minutes of the Council);

- Covid-19 and Local Government (Item 8.34 – 8.41 of the Official Minutes of the Council).

RESOLVED:

That the updates of the External Auditors be noted.

The meeting closed at 4:53 p.m.

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CHAIRMAN