

Cannock Chase Council
Minutes of the Meeting of the
Audit and Governance Committee
Held on Thursday 29 July 2021 at 4:00pm
In the Council Chamber, Civic Centre, Cannock

Part 1

Present:
Councillors

Jones, P.C.G. (Chairman)
Newbury, J.A.A. (Vice-Chairman)
Allen, F.W.C. Kruskonjic, P.
Crabtree, S.K. Sutton, Mrs. H.M.
Hoare, M.W.A.

1. Apologies

Apologies were submitted for the External Auditors (Grant Thornton).

2. Declarations 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.

The Chairman advised he was a member of the Staffordshire County Council Pensions Committee.

3. Minutes

The Minutes of the meeting held on 6 April 2021 were approved as a correct record.

4. Internal Audit Report 2020-21

Consideration was given to the Report of the Chief Internal Auditor & Risk Manager (Item 4.1 – 4.21).

The Chief Internal Auditor and Risk Manager took the Committee through the Report, drawing their attention to the following aspects:

- Appendix 1 set out the summary of significant findings for quarter 4 audits, of which 1 had been given a 'limited' assurance rating.
- Page 4.6 set out details of follow-up audits completed in quarter 4, noting that some progress had been made, although not sufficient to update the assurance ratings. Two of the audits listed were second follow-ups, however given the

Covid-19 pandemic, it was felt justified for matters to have not progressed. As a result., further follow-up work would be carried out.

- Page 4.10 in the Annual Report set out details of the review of the Internal Audit function, from which a small number of actions had been identified. These were detailed in Appendix 3 for reference. It was considered Internal Audit was compliant with the key elements of the assessment standards, but where this wasn't the case, relevant details were provided in the report.
- Page 4.12 set out that the Council's governance arrangements had been given a 'partial' assurance rating for 2020/21. The main issue identified was cyber security, and it was considered worthwhile this being flagged up in the Annual Governance Statement.
- Page 4.13 provided an overview of the assurance ratings given to each audit undertaken during the year.
- Pages 4.13 to 4.14 set out details of the performance of the Internal Audit team in respect of the Internal Audit Plan for the year. It had been necessary to revise the Plan due to the pandemic, which was done just before the second lockdown occurred in November 2020. As a result, it had not been possible to achieve everything in the Plan, but happy overall with a completion rate of 88%. During the pandemic the team had worked with the Business Support team on Covid-support grants and supported the wider Council with the move to homeworking.

The Chairman commented that given the circumstances of the last 18 months, the report was very good, so congratulated the Internal Audit team for what they had achieved.

Resolved:

That the Internal Audit Annual Report 2020-21 be noted.

5. Strategic Risk Register

Consideration was given to the Report of the Head of Governance and Corporate Services (Item 6.1 – 6.26) *(presented by the Chief Internal Auditor & Risk Manager)*.

The Chief Internal Auditor & Risk Manager advised that the report had previously been considered by Leadership Team and Cabinet. There had been no increase to the number of risks or changes to the risk's ratings, but that was not to say no progress had been made since the register was last reviewed in October 2020. Report paragraphs 5.6 and 5.7 set out further details about the risks where the scores had changed, and the reasons for this. Appendix 2 of the report set out identified actions to help manage / reduce each risk.

Resolved:

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

6. Annual Governance Statement 2020-21

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

The Head of Governance and Corporate Services drew the Committee's attention to report paragraph 3.5, noting that any actions not completed in the 2019-20 Annual Government Statement (AGS) had been rolled over into the 2020-21 Statement. The Committee was then taken through the key sections of the AGS, including the 'significant governance issues' as detailed in section 6.

In response to a query from a Member concerning phase 2 of the Designer Outlet, the Head of Governance and Corporate Services advised she would check the current position on this with the Head of Economic Prosperity and circulate any response to the Committee.

Resolved:

That the Annual Governance Statement 2020-21 be approved.

7. Cannock Chase District Council Audit Plan 2020-21

Consideration was given to the Report of the External Auditors (Item 7.1 – 7.21) *(presented by the Head of Governance and Corporate Services)*.

The Head of Governance and Corporate Services advised the External Auditors currently had a company policy in place to not attend external meetings in person due to the Covid-19 pandemic, hence why they were not present today. It was hoped however they would be able to attend the next meeting of the Committee.

In respect of the report, the main issue for the Committee's information was a revised approach the External Auditors had taken on the value for money work. Because of this, the proposed audit fees for the year would be higher than the previous two years. Fees were set nationally, meaning the Council and the External Auditors had little control over the amounts charged. There was however an issue on the 2019/20 fees that was being taken forward by the S151 Officer.

Resolved:

That the Report of the External Auditors be noted.

The meeting closed at 4:28 p.m.

Chairman