

Cannock Chase Council
Minutes of the Meeting of the
Audit and Governance Committee
On Monday 30 November 2020 at 4:00pm
Held via Remote Access

Part 1

PRESENT:
Councillors

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

Hughes, R.J. Woodhead, P.E.
Todd, Mrs. D.M.

Also present:

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

9. Apologies

None.

10. 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.

11. Minutes

That the Minutes of the meeting held on 29 June 2020 be approved as a correct record.

12. The Audit Findings for Cannock Chase District Council 2019/20

Consideration was given to the Report of the External Auditors (Item 4.1 – 4.32 of the Official Minutes of the Council).

The External Auditor talked the Committee through the following sections of the report, setting out the key matters for Members to be aware of:

- Headlines
- Audit approach
- Significant audit risks
- Other audit risks
- Significant findings – key estimates and judgements

- Significant findings – going concern
- Other matters for communication
- Other matters for consideration under the Code of Audit Practice
- Value for Money
- Independence and ethics
- Audit adjustments
- Fees
- Draft Audit Opinion
- Draft Letter of Representation.

In response to a query from a Member concern the Council's 'going concern' position and the Committee's responsibilities on managing this, the External Auditor advised that the accounting code required local authority accounts to be prepared on a going concern basis. The key issue to be aware of was in relation to the disclosure concern material uncertainty for the period ahead. Management's assessment was that no such uncertainties existed for the next twelve months, and this view was separately reached by the external auditors as part of their work. The Head of Finance further advised uncertainty existed across all of local government, but this Council's own position was based on the level of reserves available to address liabilities and financial plans prepared for future years.

RESOLVED:

That the report of the External Auditors be noted.

13. External Audit of the Statement of Accounts 2019/20

Consideration was given to the Report of the Head of Finance (Item 5.1 – 5.7 of the Official Minutes of the Council).

The Head of Finance advised that the Committee was asked to consider and receive the three reports included on the agenda related to the statement of accounts, as the external auditors had to be satisfied that the Committee had considered all relevant issues and agreed the Management Representation Letter.

RESOLVED:

That

- (A) The contents of the report be noted.
- (B) The Management Representation Letter, as attached at Appendix 1 to the report, be approved.

14. Statement of Accounts 2019/20

Consideration was given to the Report of the Head of Finance (Item 6.1 – 6.6 of the Official Minutes of the Council).

The Chief Accountant advised that paragraph 5.1 of the report set out the process followed for preparing the accounts for sign off by the Committee, and paragraphs 5.4 to 5.10 provided an overview of the key areas of the accounts for Members awareness.

In response to a query from a Member regarding the Comprehensive Income and Expenditure Statement (page 29 of the accounts booklet), the Chief Accountant advised that the large movement in figures stated primarily related to the pension fund, which was circa £25m alone. Further details were provided on pages 82 and 83 of the accounts.

In response to a query from the same Member concerning the material items of income and expense and reduction in the net cost of services (page 49 of the accounts), the Head of Finance advised that the figures stated were a comparator to the previous year's accounts, rather than being budgeted cost compared to actual cost for the 2019/20 financial year. The reduction mainly related to variations in capital charges, whereby some assets did not add value so were written off as revenue instead. The Chief Accountant further advised that any significant differences in non-capital items for next year would be detailed in the same section of the accounts for 2020/21.

In response to a query from another Member concerning the Council's share of council tax debtors (page 48 of the accounts), the Head of Finance advised that the debt figure quoted covered a period of 10 to 15 years, and debts would only be written off if they could not be recovered by the Council. Furthermore, the collection rate for Council Tax was over 98%, which was on a par with like for like local authorities.

RESOLVED:

That the audited Statement of Accounts for 2019/20 be approved.

15. Annual Treasury Management Report 2019/20

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

The Head of Finance advised that the report was presented to the Committee later than normal as it needed to conform with the statement of accounts. The narrative included was now out of date as it reflected the 2019/20 financial year, but the key aspect of the report for Members to know was that the indicators set out complied with legal and accounting requirements.

In response to a query from a Member concerning investment policy decisions, in particular ethical investments, the Head of Finance advised that the criteria for determining investment options was set out in the annual Treasury Management Strategy report. The next version of the report would be presented to the Committee in January 2021; therefore, Members would have the opportunity then to discuss ethical investments. The same Member then asked that discussions on this take place before the next meeting of the Committee.

RESOLVED:

That:

- (A) The Annual Treasury Management report for 2019/20 be noted.
- (B) The actual 2019/20 prudential and treasury indicators, as set out in Appendix 1 of the report, be approved.

The meeting closed at 4:43 p.m.

CHAIRMAN