

# Minutes of the Audit and Standards Committee Meeting held on 11 July 2023

Present: Mike Worthington (Chair)

<b>Attendance</b>	
Bernard Williams	Arshad Afsar
Philippa Haden	Keith Flunder
Phil Hewitt	Richard Cox
Graham Hutton	Derrick Huckfield
Bernard Peters	Stephen Sweeney

## **Also in attendance:**

For all items – Debbie Harris (Chief Internal Auditor) and John Tradewell (Director for Corporate Services and Deputy Chief Executive)

For item 4- Rachel Spain (Chief Accountant)

For items 4 & 5 Hassan Rohimun (Ernst Young, External Auditors)

**Apologies:** Carolyn Trowbridge, Ross Ward and Janice Silvester-Hall

## **Part One**

### **1. Declarations of Interest**

Mr Afsar declared an interest in that section of item no. 15 where reference is made to contracts held with school transport contractors.

### **2. Minutes of the Meeting held on 25 April 2023**

**Resolved** – That the minutes of the meeting held on 25 April 2023 be confirmed as a correct record and signed by the Chairman.

### **3. To note the appointment by Full Council of the following members to serve as a Standards Panel for 2023/24**

**Resolved** – That the decision of the full County Council to appoint the following members to the Standards Panel for 2023/24 be noted:

P Haden, G Hutton, C Trowbridge, B Williams and M Worthington.

### **4. Update regarding the situation within the External Audit Provision**

The Committee considered correspondence from Ernst Young LLP, the Councils' external auditors, setting out action they propose to take to address the backlog of work on open 2019/20, 2020/21 and 2021/22

audits with a December 2023 target date for completion of the earliest audits.

The letter explained that whilst EY's resourcing difficulties mirrored those being experienced in the audit sector nationally, they were working to prioritise work which would minimise the impact of any delays on the transition of Staffordshire's external audit function to the new provider appointed with effect from April 2024.

**Resolved** – That the letter be noted.

## **5. External Audit - Financial Years 2020/21 and 2021/22**

Building on the information detailed above, Hassan Rohimun, external auditor reported on the specific work programme to secure completion of the County Council's audits, indicating his wish to complete the 2020/21 and 2021/22 audits by the end of September 2023.

Members raised questions on the amount of work outstanding for the later audits and whether work to date had identified any issue of significance that would need addressing by the Council. Replying Hassan detailed key issues highlighted to date, confirming that none were expected to be significant and adding that where any valuations were being reviewed, adjustments would be made to recognise the valuations for the period of the audit rather than current day.

**Resolved** – That the update on the external audits of the County Council's accounts be noted.

## **6. Code of Conduct for Members - Annual Report on the Management of Complaints: June 2022-June 2023**

The Director for Corporate Services presented his annual report on the number and nature of complaints received alleging the breach of the Code of Conduct for members. For the June 2022-June 2023 period the Director reported that of the 15 complaints received, no breach of the Code had taken place in 14 cases with the remaining case awaiting consideration.

Members discussed the absence of mechanisms for elected members to report abusive/offensive acts against them where the matter was not deemed to cross the threshold for Police consideration. The Director summarised proactive measures being introduced to support members harassed or abused, particularly via social media, and agreed to investigate the feasibility of an all members' event to identify common

experiences and identify ways in which problems could be addressed.

**Resolved** – That the Annual Report be noted and the Director for Corporate Services consider the holding of a members event as discussed.

## **7. Proposed Changes to the Scheme of Delegation for Officers re Actions under Wildlife and Countryside Act 1981**

The Director of Corporate Services reported that the resourcing and working practices of his Countryside and Rights of Way Team was constantly under review in order to address the backlog in processing applications under Section 53 of the Wildlife and Countryside Act 1981 which related to the inclusion of Public footpaths on the Staffordshire Definitive Map.

Following the latest review the Director requested updates to the Scheme of Delegation to Officers to grant him authority to:

- 1 exercise the Councils' discretion to prioritise those applications which would be considered to have a benefit to the public (as proposed in the new Prioritisation Scheme recently adopted by the Countryside and Rights of Way Panel)
- 2 grant the Council's 'Surveying Authority' powers in respect of any cross-boundary application to the appropriate neighbouring authority
- 3 remove the word 'properly' from his existing delegated authority to remove any inference that a criteria must be met for an application to be referred to the Countryside and Rights of Way Panel whereas in reality such action heavily depended on the views of the relevant local member.

**Resolved** – That the proposed updates to the Scheme of Delegation to Officers be supported and recommended to full County Council for approval.

## **8. Internal Audit Outturn Report 2022/23**

The Committee considered a detailed report on work undertaken by the Internal Audit Service in line with its 2022/23 Work Plan. That Plan was designed to give the Internal Audit Service the flexibility to respond to matters which might arise during the year (eg contributing the Council's submission to the national COVID inquiry). In addition, the audit service constantly revised its scheduling to minimise disruption for those areas under review.

The audit processes followed and method adopted for assessing risk and determining priority work areas were summarised.

There were five categories of audit: high risk, financial systems, other systems, compliance reviews and special investigations including fraud related work. For each category a detailed analysis was given of each review undertaken, the outcomes, recommendations and final positions.

Particular reference was made to the finding of Compliance Reviews in schools with a Limited Assurance rating awarded to 13 of the 16 Schools reviewed. Common financial administrative and governance issues had been identified similar to the previous year. Best practice would be promoted via Bursar meetings.

Overall, the service had achieved its own performance target of at least 90% of the audits performed being awarded an opinion of 'Adequate or above'. or more. This was consistent with performance in previous years.

**Resolved** – That the Internal Audit Outturn Report 2022/23 be noted.

#### **9. Review of the Effectiveness of the Audit and Standards Committee - Results of the Member Workshop**

The Director of Finance and Section 151 Officer briefly referred to the productive nature of the recent Members' Workshop using the CIPFA guidance to assess the effectiveness of this committee. He called on all members to complete the CIPFA self- assessment questionnaire to inform his report to the next meeting of this committee on the outcome of the overall exercise.

**Resolved** – That the update and request for members to complete the self- assessment questionnaire be noted.

#### **10. Code of Corporate Governance - 2023 Update Report**

The Code of Corporate Governance aims to set out how a Council's governance arrangements enable it to comply with the seven core principles of governance as introduced by CIPFA in 2016.

Members considered proposed revisions to the Code for 2023 and to its accompanying Single Sheet Framework which detailed the policies and practices through which governance was delivered. The resultant Action Plan for 2023/24 set out how identified improvements to the Council's current governance arrangements would be addressed either within a specified timescale or under an ongoing update and review process.

**Resolved** – That the 2023 Code of Corporate Governance and the resultant 2023/24 Action Plan be approved.

## **11. FRC Annual Report on the Quality of External Audit**

The Committee considered the report of the Financial Reporting Council (FRC) on their quality inspection of external audits carried out within the Local Government sector. The report had been produced in line with CIPFA guidance issued in 2022 aimed at providing assurance to Councils on the effectiveness of their support for the external audit process.

**Resolved** – That the FRC report be noted.

## **12. Forward Plan for the Audit and Standards Committee 2023/24**

**Resolved** – That the Forward Plan 2023/24 as circulated be noted.

## **13. Exclusion of the Public**

**Resolved** – That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government act 1972.

## **14. Exempt Minutes of the Meeting held on 25 April 2023 (exemption paragraph 3)**

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## **15. Appendix 2 - Counter Fraud Outturn Report 2022/23 (exemption paragraph 3 and 7)**

**Chair**