

## Minutes of the Audit and Standards Committee Meeting held on 12 December 2023

Present: Mike Worthington (Chair)

Attendance	
Richard Cox	Graham Hutton
Keith Flunder	Janice Silvester-Hall
Philippa Haden	Carolyn Trowbridge (Vice-Chair)
Phil Hewitt	

**Apologies:** Arshad Afsar and Bernard Peters

### Part One

#### 31. Declarations of Interest

There were no declarations of interest raised on this occasion.

#### 32. Minutes of the Meeting held on 19 September 2023

**Resolved** – That the minutes of the meeting held on 19 September 2023 be agreed and signed by the Chairman.

#### 33. Health, Safety and Wellbeing Annual Performance Report 2022/23

The Committee received a report from Becky Lee, Head of Health, Safety and Wellbeing, which provided an overview on the health, safety and wellbeing performance of the Council during 2022/2023. This included key achievements and significant findings during this period, along with performance data and outcomes. The report also outlined the 2023/24 work programme and key priorities.

Members commented on the comprehensive report and noted the higher than average sickness absence, but overall showing a downward trend. In relation to the sickness absence, targeted work was being undertaken with specific areas of the organisation showing those higher rates of absence. A pilot would be taking place from January 2024, entitled 'Safe and Well' which focused on those with more than four days absence, working with them and providing support to the management teams. The pilot would be taking place in the Health and Care directorate over the next 12 months.

Members queried whether elected members were included in the reporting of violence and aggression to the Health and Safety system, further noting that the high figures were due to a number of factors, including child

placements and the introduction of the Waste teams, which in turn saw an increase in threats being made to regulatory services (e.g. Highways, Trading Standards, Waste). A lone working system was in place to support those staff and members affected.

Members further commented on the occupational health referrals between 2021 and 2022. It was noted that during the Covid pandemic there had been lack of reporting and a subsequent push since the Covid pandemic had led to an increase in numbers. A further increase may be present in a future report due to a push on reporting accidents and violence, however figures were showing an improvement towards targets for reporting incidents.

It was questioned whether the mental health support to teams and individuals would be delivered in an online format, due to a shortage in Psychologists. In response, Members noted a strong service being provided face-to-face by ThinkWell for counselling and the network of over 70 Mental Health First Aiders across the organisation. Wellbeing webinars were available online, but specialist sessions were being delivered face to face within directorates.

Comment was made on resourcing and investment within the Health, Safety and Wellbeing Service and a number of factors were outlined where the organisation were supportive of developing and investing in the service.

**Resolved** – That the Committee (a) review the findings and management information in the report;

(b) Analyse the 2022/23 years performance and note the actions to ensure continuous improvement;

(c) Consider key actions identified for 2023/24 and decide if any further actions are required; and

(d) Recognise the work that has been achieved to improve the Council's management of health, safety and wellbeing risks.

#### **34. Final Reports to those charged with Governance (ISA 260) 2020/21**

##### a. Staffordshire County Council

The Committee received the final audit results report which provided an update to the Audit Results Report dated 6 December 2021 and to the Audit Progress Reports in August 2022, September 2022 and December 2022.

The audit of Staffordshire County Council's 2020/21 financial statements for the year ended 31 March 2021 had been completed, subject to the completion of the closing procedures detailed in page 5 of the report. The report covered areas of audit focus, differences, value for money, other reporting issues and an assessment of the control environment.

A number of audit differences had been identified which management had agreed to adjust. One audit difference relating to the valuation of the Staffordshire Health and Wellbeing Centre had not been adjusted, which resulted in an understatement of assets value by £1.48 million.

Subject to the satisfactory completion of the final closing procedures, it was expected that an unqualified opinion would be issued on the Council's financial statements.

Members commented on the remit of the Committee and if this had changed, along with the scope of the audit. In response, the responsibility of the Committee had not changed and the scope of the audit remained the same, however there were areas which arose during the period of the audit which incurred additional work. It was further noted that the audits for 2021/22 had not yet been completed.

Members noted the discussion and proposals of a 'reset' which would aim to get the 2023/24 reports back on track by offering unqualified opinions. A backstop date of 31<sup>st</sup> March 2024 had been set for completion of outstanding audits, however disclaimed opinions would be issued in the absence of any formal guidance around the reset. The intention of the reset was to ensure the entire audit sector would be back on track for 2023/24 audits.

Members further noted the detail on adjusted differences and queried if this was a typical amount for the organisation. In response, it was clarified that this was a typical amount as seen in previous years, and was not uncommon, particularly where judgemental differences were made. Further clarity was requested on information for exit packages, noting the timescale between this report and information being available. It was clarified that this would be reported in the 2021/22 accounts.

Comment was made on the additional fees outlined in the report and whether this was due to the delay in the report being finalised. It was clarified that the extra fees were in part due to issues which had arisen since the report should have been completed, notably the infrastructure assets and impact of triennial valuation. Discussions

would be held with management upon conclusion of the audit to discuss extra fees.

**Resolved** – that the report be received by the Committee.

b. Staffordshire Pension Fund

It was noted that this report had been previously circulated to the Committee, however differences were outlined in blue text.

**Resolved** – that the updated report be noted.

### **35. 2020/21 Management Representation Letters**

The Committee received the 2020/21 management representations letters for their approval. A letter of representation was provided for both the County Council and Pension Fund audits and would require Committee approval before signed audit opinions could be provided by the external auditors.

**Resolved** – that the Committee approve the two management representation letters.

### **36. Staffordshire Pension Fund Audit Planning Report 2022/23**

The Committee received the Staffordshire Pension Fund Audit Planning Report for 2022/23. The report summarised the assessment of the key issues which drove the development of the effective audit for the Pension Fund, along with an overview of the audit strategy, associated risks and materiality, scope, team and timescales.

Members commented on whether this work was to audit the Pension Committee or if this covered solely the external element. It was clarified that reports do go to the respective Pensions Committee meetings for their information, and that the Audit and Standards Committee had the governance oversight and responsibility of signing them off.

**Resolved** – that the report be received by the Committee.

### **37. Annual Governance Statement 2022/23**

An Annual Governance Statement (AGS) is required of the County Council to provide evidence of how the Corporate Governance Framework is adhered to in practical day to day actions and decision making. That Framework sets out the culture, values, systems and processes by which the organisation is directed and controlled.

Members considered the draft AGS for 2022/23 noting the requirement for it to cover the period up to the final sign off of the annual accounts and therefore this latest AGS covered the period April 2022 to date.

Members noted a project published in February 2021 by the Centre for Governance and Scrutiny around the early identification of risk in governance, which had been reviewed by the Statutory Officers Group to ensure that any early warning flags were identified, and suitable action taken.

Particular attention was drawn to the various elements used in preparation of the AGS, the extent to which the 2021/22 Action Plan had been completed and the number of key governance issues carried forward into the 2022/23 Plan. An additional action had been added regarding cyber security.

Further supporting information was provided to the Committee on how the organisation had dealt with significant governance issues identified in the 2021/22 AGS and where appropriate actions brought forward into the 2022/23 AGS.

Members' comments and observations on the draft Statement included:

- Correction of the Chief Executive's name in the report.
- Importance of communication and engagement/cooperation on elements within the AGS.
- Effectiveness of the Whistleblowing policy and process. An action was noted to take this work back to the Corporate Governance Working Group for discussion.
- Management of risks and risk assessments. Members noted that a system was being rolled out from the internal audit service whereby individuals could report and manage risks and improvements. Regular reports could be generated and results incorporated into performance and finance reports through to SLT and Cabinet, and back to the Committee.
- Reference to Clinical Commissioning Groups in the report, and no mention of the Integrated Care Board (ICB). It was clarified that work had taken place before the switch over to the ICB.

**Resolved** – that the Committee approve the Annual Governance Statement.

### **38. National Fraud Initiative - Update**

Committee members were presented with a report from the Director of Finance relating to the Cabinet Office National Fraud Initiative (NFI) 2022. The report informed members of the biennial NFI data matching exercise which is aimed at preventing and detecting fraud. The initiative allowed

data to be matched across both private and public sector organisations, with approximately 1200 participating organisations.

The data used in the NFI was produced in early October 2022, and individuals were notified prior to the commencement of the 2022 exercise in line with NFI guidance to ensure compliance with the Data Protection Act.

Payroll, pensions, creditors, blue badges and travel passes data sets were sent to the Cabinet Office and Members were reminded of the exclusion of the private residential care home residents and personal budget recipient data sets, due to this being defined as patient data and their inclusion being determined as outside of the remit of the NFI.

This had been overcome by the Counter Fraud Manager, who undertook their own internal audit matching in relation to the Tell Us Once service, matching records of deceased persons with those held by the Council's CareDirector system. Full detail of each of the data sets and progress on investigating those was included at Appendix 1 of the report. Key statistics were reported to the Committee.

Members commented on the development and enhancement of an anti-fraud culture. It was noted that an e-learning package was in development and the County Fraud Manager undertook fraud awareness campaigns. Intranet pages were kept up to date internally around fraud awareness. Members further commented on the value for money that this exercise brought.

**Resolved** – that the Committee note the progress made to date on investigating the data matches received from the Cabinet Office in January 2023 as part of the 2022 NFI exercise.

### **39. Internal Audit Plan 2023 - 2024 Progress Report**

Deborah Harris reported on the delivery to date of the Internal Audit Plan 2023/24 commenting on a number of additional work areas and the consequent need to reprioritise some projects with some cancelled internal audit reviews identified.

Members noted the current status of external client work relating to South Staffordshire Council and the Staffordshire Pension Fund, along with the recommendation tracking process, comprising of 1212 audit recommendations currently being tracked as at 23<sup>rd</sup> November 2023. Assurance was provided that the 35 audit recommendations overdue in respect of schools would continue to be actively tracked via the online portal.

Details of the high priority recommendations overdue were provided in Appendix 2 to the report, for completeness.

Members commented on those audits with no specific timescale, and whether it was anticipated that these would be completed within the current cycle. It was clarified that resources were available to complete everything in the plan.

**Resolved** – that Members note progress against the 2023/24 Internal Audit Plan and the amendments to the original plan, including those audits which have been cancelled since its approval on 25<sup>th</sup> April 2023, and note the progress on the implementation of high-level recommendations.

#### **40. Forward Plan for the Audit and Standards Committee**

The Committee noted the Forward Plan for the Audit and Standards Committee, highlighting items on future agendas.

It was noted that KPMG, the new external auditors, were hoping to bring their Audit Planning Report to either the March or April 2024 meeting. Main items for discussion at the February 2024 meeting were noted.

The Vice-Chair raised a particular item for inclusion on the Forward Plan around SEND Transformation and requested a progress update.

**Resolved** – that, subject to the addition of an item regarding SEND Transformation, the Forward Plan for the Audit and Standards Committee be noted.

#### **41. 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 as indicated below.

#### **42. Exempt Minutes of the meeting held on 19 September 2023**

#### **43. Sales to Cash 2022/23 - Limited Assurance Report**

**Chair**