

Minutes of the Audit and Standards Committee Meeting held on 5 July 2022

Present:

Attendance

Carolyn Trowbridge (Vice-Chairman)	Philippa Haden
Bernard Williams	Phil Hewitt
Ann Edgeller	Graham Hutton

Also in attendance:

Rob Salmon and Debbie Harris- For all items.
John Tradewell – for item nos 1-10.
David Fletcher – for item no. 14
Claire Duffy – for item no. 15
Karen Webb – for item no. 16

Apologies: Ross Ward, Richard Ford, Bernard Peters, James Salisbury, Janice Silvester-Hall, Ian Wilkes, Mike Worthington, Arshad Afsar and Keith Flunder

PART ONE

1. Declarations of Interest

There were no declarations of interest on this occasion.

2. Minutes of the Meeting held on 26 April 2022

RESOLVED – That the minutes of the meeting held on 26 April 2022 be confirmed as a correct record and signed by the Chairman.

3. Appointment of Standards Panel 2022/23

RESOLVED – That the recommendation of full Council that the Standards Panel for 2022/23 comprise the following members be agreed:

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

4. Annual Report on the Work of the Audit and Standards Committee

Consideration was given to the 2021/22 Annual Report on the work of the Committee which detailed how members had fulfilled their responsibilities to monitor the adequacy and effectiveness of the council's governance, risk management and internal control frameworks, internal and external audit functions and financial reporting arrangements. The report further detailed the extent to which the Committee had contributed to improved performance by services through its review of control mechanisms and promotion of best practice with the aim of maintaining the confidence of the public in the County Council's transparency, probity and efficiency.

Reference was made to the Committees overview of key risk areas including continued support for the Council's COVID 19 activities, SEND transformation programme and the heightened risks to Cyber Security. Where appropriate the Committee had sought regular progress reports on the implementation of any measures identified through audit or risk assessment processes.

RESOLVED - That the considerable workload undertaken by the Committee and officers associated with its work be commended.

5. External Audit Plan 2021/22 - Verbal Report by Ernst Young (External Auditors)

Ernst Young, external auditors were unable to attend the meeting.

The County Treasurer reported his concerns at delays in the external auditors' completion of the Councils accounts for 2020/2021 and the submission of an External Audit Plan for 2021/22. Resourcing issues amongst the audit sector nationally were acknowledged, however, the Committee remained concerned at the effect of delays on the efficiency of the County Council.

RESOLVED – That representations be made to Ernst Young on this and that the Committee wish to receive , as a minimum, an update briefing note to each meeting and members request that the External Audit Plan 2021/22 be submitted to the next meeting.

6. Staffordshire Pension Fund Audit Plan 2021/22 - Verbal Report by Ernst Young (External Auditors)

Ernst Young, External Auditors, were unable to attend the meeting.

Updating members, the County Treasurer reported that the external audit of the Pension Fund has been completed but awaited sign off. The 2021/22 audit exercise was scheduled to commence during July 2022.

RESOLVED – That Ernst Young be informed of members' wish to receive, as a minimum, an update briefing note to each Committee.

7. Code of Corporate Governance - 2022 Update

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 the 2022 revisions to the County Council's Code of Corporate Governance and the accompanying Single Sheet Framework which detailed the policies and practices through which governance was delivered. The resultant Action Plan for 2022/23 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.

Responding to a query on the reference to the last external review of the Internal Audit Service against the Public Sector Internal Audit Standards carried out in January 2018, , it was reported that reviews took place every 5 years with the next review currently being procured which is intended to take place before the end of the 2022/23 financial year.

RESOLVED – That the 2022 Code of Corporate Governance and the resultant 2022/23 Action Plan be approved.

8. Internal Audit Report Outturn 2021

The Committee considered a detailed report on work undertaken by the Internal Audit Service in line with its 2021/22 Work Plan.

A summary was given of the audit processes followed and method adopted for assessing risk and determining priority work areas.

The workload essentially fell into five categories: 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. Of note was that where an audit exercise was scheduled for a service area already carrying out its own review or recently reviewed, the audit service would seek to work alongside that team rather than issue a formal audit opinion. This work would result in a position statement report being issued.

Comment was made on the increased number of limited assurance opinions awarded in relation to schools which was explained as partly resulting from enhancing our school risk assessment process.

RESOLVED – That the Internal Audit Outturn Report 2021/22 be noted.

9. Code of Conduct for Members - Annual Report on the Management of Complaints June 2021-June 2022

The Monitoring Officer reported that 11 complaints had been received relating to seven elected members for the period June 2021 – June 2022. He summarised the process followed when considering the complaints indicating that 3 were awaiting decision with no breach of the Code of Conduct found for any of the remaining 8.

RESOLVED – That the report be noted.

10. Proposed Change to the Constitution - Proposed Addition to Procurement Regulations

The Director for Corporate Services referred to the limited list of exemptions from requirements to enter into the tendering/quotations processes as defined in the Procurement Regulations. He submitted proposals to include an exemption relating to the 'engagement' of specialised HR advice services in those extremely limited circumstances where in house support was not available or appropriate to call on.

The Director gave examples of the limited circumstances in question commenting that in many instances tight timescales were involved.

RESOLVED – That full Council be recommended to approve the addition of the following to the exemptions list contained at section F.2.1 of the Procurement Regulations:

In circumstances when, for reasons of potential conflict and confidence, external professional /technical support and advice is required in relation to an employment disciplinary matter.

11. Forward Plan for the Audit and Standards Committee

The County Treasurer submitted the Forward Plan setting out this Committees meeting schedule and provisional agenda contents for 2022/23.

RESOLVED – That the Forward Plan be approved.

12. 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 paragraph of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 as indicated.

The Committee proceeded to consider the following items:

13. Exempt Minutes of the Meeting held on 26 April 2022 (exemption paragraph 3)

14. Internal Audit Outturn Appendix 2 - Counter Fraud Outturn Report 2021/22 (exemption paragraph 3)

15. Reactive Fraud Investigation - Pre-paid Card False Transactions (exemption paragraph 7);

16. Joint Funding and Billing CCGs Continuing Healthcare - Progress Report on the Implementation of Previous Audit Recommendations (exemption paragraph 3)

Chairman