

## Minutes of the Audit and Standards Committee Meeting held on 30 July 2020

Present: Martyn Tittley (Chairman)

### Attendance

Derek Davis, OBE	Ann Edgeller
Carolyn Trowbridge (Vice-Chairman)	David Brookes
Bernard Williams	Richard Ford
Paul Northcott	Philip Atkins, OBE
Susan Woodward	Keith Flunder
Alastair Little	Keith James

**Apologies:** Helen Fisher

### PART ONE

#### 1. Declarations of Interest

Sue Woodward and Philip Atkins declared an interest in item 4 “Local Government Association (LGA) – Consultation on Draft Model of Conduct for Members” as they were both Members of the LGA Board and Peer Mentors.

#### 2. Minutes of the Meeting held on 28 January 2020

**RESOLVED:** That the minutes of the meeting held on 28 January 2020 be approved as a correct record and signed by the Chairman.

#### 3. Local Government Association - Consultation on Draft Model Code of Conduct for Members

The Committee considered a report of the Director of Corporate Services seeking the views on the Local Government Association’s (LGA) Draft Model Code of Conduct for Members for use across the Country. The Draft Code had been published prior by the LGA to ‘lockdown’ but progress had been delayed until the recent issue of a consultation questionnaire, which was attached to the report. The questionnaire had been circulated to all Members of the Council earlier in the month and a small number of responses had been received.

The Committee expressed concern that there wasn’t a clear distinction between receiving hospitality and a gift from a friend and from a constituent. It was also felt that the £25 threshold for registering gifts was to low and didn’t give a Member the opportunity to develop any relationship with their community or take part in any activity which Members were invited to. Members wanted to see the threshold raised and a clearer definition of hospitality and gift.

Regarding Social Media, it was felt that this was an area that needed to be developed by the LGA and there was not enough guidance in the model code. The Committee was reminded that this Authority had recently agreed a much tighter and more robust clause in its own Code of Conduct.

**RESOLVED:**

- a) That the report be received.
- b) That Officers research the threshold what other Local Authorities allow for gifts and hospitality.
- c) That Officers, in conjunction with the Chairman, draft a response to the questionnaire and circulate it to Members of the Committee for further comment prior to submission.

**4. Internal Audit Charter 2020/21**

The Committee considered the revisions made to the Internal Audit Charter which had originally been approved by this Committee in June 2014. The revised Charter covered all requirements of the latest Public Sector Internal Audit Standards, the latest Local Government Application Note, and the latest CIPFA Statement regarding the role of the Head of Internal Audit in Public Service Organisations.

**RESOLVED:** That the Internal Audit Charter 2020 be noted.

**5. Forward Plan 2020/21**

The Committee was informed that the Forward Plan had been amended to reflect the changes that had been made to this Committee meetings as a result of the Covid-19 pandemic.

**RESOLVED:** That the Forward Plan be noted.

**6. Code of Corporate Governance - Update**

The updated Code of Corporate Governance and resultant action plan had been produced in line with the CIPFA SOLACE framework 'Delivering Good Governance in Local Government' which was published in April 2016.

The Code was reviewed every year to ensure that it remained up to date and relevant. The main changes were highlighted in yellow in the report and the code had been expanded to include greater emphasis on partnerships, outcomes, interventions and transparency agendas.

The Committee was informed that following a recent Internal Audit review the service had been awarded a substantial assurance opinion.

**RESOLVED:** The Code of Corporate Governance and action plan be approved.

## **7. Fraud Risks - The Impact of COVID-19.**

The Committee received a presentation which provided an overview of the impact of Covid-19 on the fraud environment and associated fraud risks as well an update on how the Authority has reacted to the risks which had arisen from Covid-19, particularly relating to possible fraudulent activity against the Council.

The Presentation was attached to the agenda paperwork. The main fraud scenarios seen during the Covid-19 pandemic were listed as: Bank mandate fraud; Impersonation fraud; Application fraud; Cyber-enabled fraud; and Procurement and Supply chain fraud.

Following a question on the Authority's capacity to tackle the increasing levels of fraud, the Committee was reassured that systems were in place in terms of dedicated fraud resources and all the auditors had the ability to investigate fraud case, but one of the key tools the authority had related to data analytics to highlight areas of concern quickly which can then be investigated. Whistleblowing cases would continue to be picked up and prioritised in the normal way.

With regard to the levels and types of fraud experienced in Staffordshire and the level of increase during the pandemic, Members requested a report on any learnings for this period and also any audit that had taken place on the Personal Protective Equipment (PPE) contract. The Committee was informed that an audit of PPE had been carried out at the request of the IMT group. In addition, a lessons learnt exercise had been carried out by the IMT through the Civil Contingency's Unit and subject to the Units approval, the report could be brought to this Committee for consideration.

It was felt that training for Members and other organisations such as the NHS or partners who the Council work closely with would be useful to ensure that everyone was prepared and able to identify fraud at an early stage. It was also noted that Staffordshire Police were undertaking joint training with the Council on Cyber Security in August.

### **RESOLVED:**

- a) That the presentation be noted.
- b) That subject to the Civil Contingencies Units agreement, a report on the lessons learnt through the pandemic be brought to the Committee for consideration.
- c) That Elected Members receive training on fraud prevention through the Member Development induction programme.

## **8. Internal Audit Outturn Report 2019/20**

The Committee considered the report of the County Treasurer which summarised the work undertaken by Internal Audit in respect of the 2019/20 annual plan. Officers provided a verbal summary of the report at the meeting for the benefit of Members.

It was noted that part of the report contained exempt information which would be considered later on the agenda.

Several audits were carried out within the Special Educational Needs and Disabilities (SEND) area and some high-level issues have been raised which will be kept under

review in 2020/21 including Education Health and Care Plans (EHCP). Also, it was noted that whilst the review of the Strategic Property function was again awarded a limited assurance, significant improvements had been made, most notably the development of a revised decision-making structure for property related matters. The weaknesses resulting from the limited assurance reviews would continue to be a key focus for the 2020/21 Internal Audit Plan. Further details relating to the top risk and limited reviews would be discussed in the confidential part of the agenda.

Concern over the income arrangements in schools was expressed. The Committee was informed that a Schools Governing Body would be informed if problems were highlighted where there was non-compliance with regulations. It was felt that County Councillors may be able to support schools in their wards if this was needed.

**RESOLVED:**

- a) That the report be noted.
- b) That the Chairman, on behalf of the Committee, write to all School Governing Bodies suggesting that they are more rigorous in their financial monitoring. As part of this, Internal Audit will produce a document setting out the key control weakness themes highlighted during the 2019/20 audit reviews for further consideration by Schools.

**9. Exclusion of the Public**

**RESOLVED:** That the public be excluded from the meeting for the following items of business which involved the likely disclosure of exempt information as defined in the paragraphs of Part1 of schedule 12A of the Local Government Act 1972 indicated below.

The Committee had a short break at 11.30am and reconvened at 11.40am

The Committee proceeded to consider the following items:

**10. Exempt Minutes of the Meeting held on 28 January 2020**

**RESOLVED** – That the minutes of the meeting held on 28 January 2020 be confirmed and signed by the Chairman.

**11. SEND Transformation (exemption paragraph 3)**

- a) SEND (Special Educational Needs and Disabilities) Joint Inspection - Final Audit Report 2019/20
- b) SEND Transformation - Governance: Decision Making Groups - Final Audit Report 2019/20
- c) SEND Transformation - Governance - Local Hubs - Final Audit Report 2019/20

- 12. Sales 2 Cash Including Debt Recovery Function and Debt Management - Final Audit Report 2019/20 (exemption paragraph 3)**
- 13. People Strategy - Final Audit Report 2019/20 (exemption paragraph 4)**
- 14. Children and Families System Transformation Place Based Approach Final Audit Report 2019-20 (exemption paragraph 3)**
- 15. Ofsted Improvement Plan - Final Audit Report 2019/20 (exemption paragraph 3)**
- 16. Cyber Security Strategy Review - Final Audit Report 2019/20 (exemption paragraph 7)**
- 17. Care Director - Citizen Portal - Final Audit Report 2019/20 (exemption paragraph 3)**
- 18. Internal Audit Outturn Report 2019/20 - Counter Fraud & Corruption Work Appendix 2 (exemption paragraph 7)**

**Chairman**