

STANDARDS AND GENERAL PURPOSES COMMITTEE

18 JULY 2024

(7.15 pm - 9.00 pm)

PRESENT Councillors Councillor Martin Whelton (in the Chair),
Councillor Laxmi Attawar, Councillor Michael Brunt,
Councillor Michael Butcher, Councillor Billy Hayes,
Councillor Edith Macauley, Councillor James Williscroft,
Councillor John Braithwaite, Councillor Robert Page,
Councillor Victoria Wilson and Councillor Andrew Howard

PRESENT Elizabeth Jackson (EY, External Auditor), Katy Willison
ONLINE (Independent Person)

ALSO PRESENT Asad Mushtaq (Executive Director Financial and Digital), John
Scarborough (Monitoring Officer), Margaret Culleton (Head of
Internal Audit), Zoe Church (Head of Financial Strategy and
Capital), and Richard Seedhouse (Democratic Services Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Oliver and Clive Douglas (Independent Member).

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes were agreed. Members and the chair also reminded officers that papers needed to be circulated in a timely manner before meetings.

4 ANNUAL GOVERNANCE STATEMENT (Agenda Item 4)

The Head of Internal Audit introduced the paper, noting in particular that CIPFA guidance from December 23 stated the importance of governance following the failures of local authorities. This year's statement introduced items affecting the council such as unaudited accounts, local government funding and the dedicated school grant.

Of the ten actions from last year, four had been closed and implemented, six were in progress and would carry over into the next year.

In response to questions it was confirmed that :

- The paper would be updated to show that livestreaming is not on YouTube.

- Scrutiny committees are aligned to political priorities rather than directorates, this is a common practice in local authorities
- The Statement is backward looking, the arrangements were considered sound, although there may have been changes for 24/25 this does not make earlier arrangements inadequate

It was RESOLVED:

- The Committee agreed the 2023/24 Annual Governance Statement (as contained in Appendix A) for inclusion within the Council's Statement of Accounts

5 ANNUAL REPORT OF STANDARDS AND GENERAL PURPOSES COMMITTEE (Agenda Item 5)

The Head of Internal Audit introduced the report, noting that the skills assessment in April 2023 against CIPFA guidance and responses indicated a good level of knowledge among members.

The report showed how the Committee meets CIPFA guidance and any outstanding areas. The Independent Member (Audit) position had been advertised, but no applications received, discussions about how to fill that post were ongoing.

In response to questions it was confirmed that:

- It is not unusual for the chair of Standards or Audit Committees to come from the majority group, the advice is that the chair should be independently minded, there is nothing to suggest that the chair is not independently minded.
- Head of Internal Audit will come back to the Committee on the question of CEO attendance at this Committee.
- It is important for members to note the difference between an Independent Person and an Independent Member, the roles and responsibilities are distinct.

It was RESOLVED that:

- The Committee commented on and approved the content of the Annual Report, subject to the exceptions discussed.
- The Committee recommended to Full Council that it notes the Annual Report and agrees to its publication and distribution to relevant stakeholders.

6 INTERNAL AUDIT ANNUAL REPORT (Agenda Item 6)

The Head of Internal Audit introduced the report, noting that of 38 reviews, 32 provided reasonable assurance, 6 limited assurances were detailed in the report. The report summarises the full year's work, so some items will be familiar to the Committee and the progress on those items is contained in the report.

There are 22 Priority 1 recommendations, 10 outstanding/in progress and 2 carried over from last year.

In response to questions it was confirmed that:

- The officer in charge of the outstanding Priority 1 had changed which may have contributed to a delay in implementation, if the item remains outstanding the officer can attend the next meeting to update the committee on progress.
- The Pension Payroll has 2 priority 1 actions for implementation in August, and the outcome and further actions will be reported to the Committee next time this item is on the agenda.
- A summary of progress on outstanding items can be provided to future committees.

It was RESOLVED that the Committee reviewed and commented on the Internal Audit Annual Report 2023/24

7 RISK REGISTER UPDATE (Agenda Item 7)

The Report was introduced by the Head of Financial Strategy and Capital introduced the report, noting that this was not the annual report which would come in November, but a response to feedback from the Committee. The reports had been redesigned with emphasis placed on control actions.

In response to questions it was confirmed that:

- Events such as covid are included under 'extraordinary events', there is a separate register for those times considered by CMT every two weeks, what's presented here is the key strategic risk register, there are departmental risk registers that sit below this document.
- Lessons will be learned from any enquiry
- An update and closed session on cyber security can be provided to the committee
- There are a number of housing risks relating to housing supply which aren't on the key strategic register, but they are in the Housing Department risk register. The key strategic risk register is regularly reviewed and items can be added when appropriate, this item will be discussed and reviewed with the Executive Director for Housing and Sustainable Development
- Some control actions are a challenge to define in a public document and are necessarily described as they are, but this is an evolving document and officers will consider points raised by the Committee

It was RESOLVED that:

- The Committee reviewed the adequacy of the risk management framework and the associated control environment
- The Committee considered the Key Strategic Risks and Issues faced by the council, and determined whether these were being actively managed

- Officers would arrange a closed session for the Committee on sensitive issues.

8 EXTERNAL AUDIT UPDATE (Agenda Item 8)

The External Auditor introduced the report.

In response to questions it was confirmed that:

- The Executive Director was confident that data would be supplied to EY by the end of August
- The appointment of the External Auditor won't be reviewed for a couple of years, the majority of councils are part of that exercise, if we were to go outside that process, it would be more expensive.
- There are no direct costs as a result of the delay, but there will be pressure on staff and resources, particularly when 22/23 arrives outside of the normal workload and we don't know when that will take place
- The Housing Benefit fee relates to 19/20, there were a number of issues with the claim which took time to resolve, DWP were approached for special reporting on those before the cases could be resolved. There is a high level of error on housing benefit claims, with 4 that could not be resolved. The Fees are affected by the error rate.
- The EY strategy was agreed with the NAO, the disclaimer is for 3 years at no fault of the council, other firms have taken a different approach, but they will not be delivering their accounts by the end of this year.
- The strategy has been revisited to take into account updates in legislation and prioritised auditing the 23/24 accounts, we are week 3 into the audit and it's critical that we work together to clear the outstanding areas in order to complete by September.
- 22/23 accounts won't be audited, they will be disclaimed.
- The value for money work is complete and will go to officers next week.
- The lack of 22/23 audit is a cause for concern, but EY's policy is clear, and fees will be commensurate to the work carried out.

The Committee RECORDED its regret that we won't have a full report for 22/23

It was RESOLVED that the Committee noted and commented on the contents of the report

9 WORK PROGRAMME (Agenda Item 9)

The Committee that zero hour contract data be included in the HR report, and that officers attend if priority actions remain.