

AUDIT AND MEMBER STANDARDS COMMITTEE

27 SEPTEMBER 2023

PRESENT:

Councillors Ho (Chair), Marshall, Robertson, J Smith, P Taylor, S Taylor and Vernon

14 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Whitehouse.

15 DECLARATIONS OF INTEREST

There were no declarations of interest received.

16 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 20 July 2023, previously circulated, were taken as read and approved as a correct record. Proposed by Councillor Ho, seconded by Councillor Robertson.

17 INDEPENDENT MEMBER & SKILLS AUDIT

Andrew Wood, Audit Manager, delivered his report to the committee noting that the report considers the recently completed skills audit and identifies potential areas for development of a training plan for the committee. The skills audit pinpointed several areas that could be included in the training plan, such as local authority finance, treasury management, the roles of internal audit and external audit, governance and risk management.

Mr Wood elaborated on the recommendations from the Chartered Institute of Public Finance and Accountancy (CIPFA) that the council should appoint two independent members to the Audit Committee. He clarified that the current committee's terms of reference allow for nine elected members, reflecting the political balance of the council, with the option to co-opt one independent member. He noted the distinction between the roles of an independent member and an independent person, stating that best practice advises keeping these roles separate.

The primary consideration for the committee, as expressed by Mr Wood, is whether the core knowledge requirements can be met or developed relatively quickly through the training plan among the existing audit committee members. Alternatively, the committee may need to enhance or supplement existing knowledge and skills through the potential recruitment of an independent member.

In his conclusion Mr Wood clarified that the independent member's role would be unpaid, but any out-of-pocket expenses incurred would be reimbursed. Should the committee decide to recruit for this role, the process would adhere to LDC's existing requirements and procedures. The roles would be advertised locally and across the West Midlands region. Mr wood explained that if the members determine that the role should be remunerated from discussions with other chief auditors in Staffordshire and the Midlands Audit Group, £400 would be an estimated figure. If two independent members are required, a recommendation to council would be necessary to update the council's constitution. He further recommended that the

Chair of the committee be given the authority to progress appointments if the position is deemed remunerated.

Members agreed that appointing an independent member to the Audit & Member Standards Committee would be the most suitable course of action. They discussed the possibility of having one independent member serve the three-year term, as referenced in the report, and having the second member serve a one-year appointment, which could be extended if necessary. Members inquired if one independent member could be recruited imminently while the process of recruiting a second is approved by Council. Mr Wood confirmed that this could be done.

Anthony Thomas, Assistant Director - Finance & Commissioning, agreed with members that they should recruit an independent member to the committee. He explained that the council's risk environment had changed and that the committee needs different or additional skills to operate effectively in this new environment.

Members raised concerns on potential delays in recruiting two independent members. Mr Wood reassured them that it is unlikely that there would be a delay and advised that they initiate the recruitment process promptly, as other authorities have received similar advice from CIPFA and would also be recruiting independent members. Christine Lewis, Principal Governance Officer, added that Council was meeting next month so members need not worry about potential delays.

Members unanimously agreed that the best way forward would be to appoint two independent members to the Audit and Member Standards Committee.

RESOLVED: The Committee considered the report and decided to proceed with appointing two independent members to the Audit & Member Standards Committee.

The Committee agreed it be recommended to Council that appropriate updates are applied to the Council's Constitution to allow the co-option of up to two members.

The Committee provided delegation to the Chair of Committee in respect of progressing appointment if deemed to require remuneration.

The Committee considered the report and approved the proposed training plan for 2023/24.

18 COMPLIANCE & DATA PROTECTION VERBAL UPDATE

Laura Brentnall, the Compliance and Data Protection Officer, gave a verbal update to the committee on compliance and data protection. She informed members that after a six-month review, the internal audit had gone from having a level of limited assurance to a fully assured audit.

She further informed members that several ongoing work programmes and service reviews were underway. In addition, a health check by the Information Commissioner's Office (ICO) had been conducted, which came back without issue. However, there were some adjustments and developments to make, which have already been identified by the service review programme.

As members were previously concerned that A.I. could be a challenge to GDPR, Mrs Brentnall assured members that any A.I. that is considered would be reported to them on a regular basis and brought to the committee for oversight. She noted that existing processes and privacy notices would be reviewed and, due to the intense scrutiny from the ICO, new ones may be created if necessary.

She concluded by asking the committee for any questions or incorporations. The committee had no comments but noted their thanks that substantial assurance was now in place, adding that this was a positive step.

RESOLVED: Members noted the verbal update.

19 WORK PROGRAMME

RESOLVED: Members noted the contents of the work programme for the 2023/24 year.

(The Meeting closed at 6.25 pm)

CHAIR