

# **AUDIT AND MEMBER STANDARDS COMMITTEE**

**29 SEPTEMBER 2022**

## **PRESENT:**

Councillors Spruce (Chair), Ho (Vice-Chair), Cross, Grange, Robertson and White

Officers in Attendance: Laura Brentnall, Simon Fletcher, Mark Hooper, Will Stevenson, Anthony Thomas, Andrew Wood

Also Present: Kirsty Lees (External Auditor), Councillor Rob Strachan (Cabinet Member for Finance and Commissioning)

## **10 APOLOGIES FOR ABSENCE**

There were apologies from councillors Norman, M Wilcox and Silvester-Hall.

## **11 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **12 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 21 July 2022, previously circulated, were taken as read and approved as a correct record.

## **13 LEADERSHIP TEAM RESPONSE TO QUESTIONS RAISED AT THE PREVIOUS MEETING**

This item follows a request by the committee at the previous meeting to seek follow up answers on several questions. Overall, 6 questions were taken to Leadership Team, reviewed and the formulated responses distributed to members. The committee had also requested the attendance of the Chief Executive to answer and subsequent questions.

Simon Fletcher (Chief Executive) thanked the committee for the invitation and shared their concerns regarding some priority recommendations in the internal audit. He reassured members that these matters were being taken very seriously and that Leadership Team takes a thorough line-by-line approach to scrutinising risk register priority recommendations. Mr Fletcher confirmed that whilst there have been issues recruiting key posts within the organisation, the strategic decision to hold certain positions vacant could now be reduced from a period of 3 months to 1 month. He also confirmed the successful recruitment of a new individual to the talent acquisition role. In responses to member questions, Mr Fletcher confirmed that he was not in favour of relaxing the scheme of delegation and his priority was to fill the vacant posts instead.

Members highlighted that last year, unfinished items were subsequently pushed into this year's Audit Plan and hoped that this would not be repeated this year. Andrew Wood (Audit Manager) said he was optimistic and estimated that a minimum 90% of the plan will be completed. Whilst Mr Wood could not completely rule out the possibility of an audit that rolls into next year, he was confident in completion being achieved near the start of April 2023. Mr Wood highlighted that at this stage last year, completion was roughly 6%, whereas this year it stands at roughly 22%.

Responding to members questions on recruitment, Anthony Thomas (Assistant Director Finance & Commissioning) cited a general aging of the local government workforce, alongside increased agile working removing the need to work locally, as causing a number of recruitment issues. He noted working conditions and salary as potential incentives to drive recruitment. Beyond that, increased training and development of staff would be an essential step. Mr Fletcher added that approaches to recruitment, such as seeking and acquiring talent rather than waiting for applicants would be key.

Following members questions on the risk management update, Mr Fletcher confirmed this was reviewed thoroughly by Leadership Team. He confirmed that Leadership Team will now be seeing internal audit recommendations more frequently and will be creating star chambers to discuss performance with managers in more depth. Mr Thomas added that the horizon scanning section allows the authority to flag any unforeseen or live risks.

Members expressed concern at the number of amber risks on the register that are close to becoming red. They asked that their hope to see a few of these risk levels reduced in the next update be noted. Members highlighted the importance of the Audit & Member Standards committee as the only form of democratic oversight of the risk register and the responsibility they had to constituents as a result. Mr Fletcher expressed his appreciation of the committee and letters previously received from the Chair. The Chair thanked the Chief Executive for his support.

**RESOLVED:** The committee noted the response from Leadership Team to the questions raised at the previous meeting and were satisfied with the answers received to subsequent questions.

#### **14 RIPA REPORTS POLICY AND MONITORING**

Mark Hooper (Governance Manager & Monitoring Officer) presented the report. He confirmed as part of the annual report to ensure compliance within the code of practice, that no covert surveillance or covert human intelligence sources had been used for the 2021-2022 financial year. Mr Hooper also confirmed there were no uses currently awaiting approval. He explained that the report contained minor changes of policy this year, to increase resilience and account for changing posts. Issues surrounding social media will be addressed in ongoing training.

In response to member questions on the potential usage of these powers in cases of uncollected business rates, Mr Fletcher confirmed that in instances of an open and established business, there was often no need for covert action when a direct approach can be taken much more easily. Mr Thomas added that in council tax cases, a proactive approach is preferred, including contacting residents, establishing payment plans, etc.

**RESOLVED:** The committee noted the RIPA monitoring report for the 2021-2022 financial year and approved the updates to the Corporate Policy and Procedure for RIPA as set out in Appendix 1 of the report.

#### **15 VERBAL UPDATE ON THE AUDIT FINDINGS REPORT FOR LICHFIELD DISTRICT COUNCIL 2021/2022**

The verbal update was given by Kirsty Lees (External Auditor). She confirmed that the Audit Findings Report for Lichfield District Council 2021/2022 was close to completion, though highlighted issues in utilising the new ledger provided by a third party. She understood that the Finance Team have struggled with recruitment and retention of staff but wanted to express thanks for their continued support in responding to queries and providing required information. Ms Lees confirmed that the report will be presented at a special committee on 23rd of November. She confirmed that she had written to the Chair, informing him of the report being

delayed. She had been informed at the start of September that the pension audit was on track to be completed on time.

Members requested an additional update be added to the agenda of November 30th, to discuss the impact of the OBR report due to be published shortly before this meeting.

**RESOLVED:** The committee noted the information and thanked the External Auditors for the verbal update.

## **16 WORK PROGRAMME**

**RESOLVED:** Members noted the contents of the work programme for the 2022/23 year.

## **17 EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:** “That as publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, the public and press be excluded from the meeting for the following items of business, which would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972”

IN PRIVATE

## **18 JOINT VENTURE**

Mr Fletcher and Mr Thomas provided the committee with a verbal update on the proposed joint venture to deliver a cinema for Lichfield. Responding to members questions on the timescale of these plans, Mr Thomas anticipated the plan would go to cabinet in October, before going to council later that month.

**RESOLVED:** The committee noted the information and thanked Mr Fletcher and Mr Thomas for the verbal update

(The Meeting closed at 6.56 pm)

CHAIR