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AUDIT AND MEMBER STANDARDS COMMITTEE

30 NOVEMBER 2022

PRESENT:

Councillors Spruce (Chair), Cross, Norman, Silvester-Hall and White

Officers in Attendance: Laura Brentnall, Christie Tims, Mark Hooper, Will Stevenson, Anthony Thomas, Andrew Wood

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

19 APOLOGIES FOR ABSENCE

There were apologies from councillors Grange, Ho, Robertson and M Wilcox.

20 DECLARATIONS OF INTEREST

There were no declarations of interest.

21 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 29 September 2022, previously circulated, were taken as read and approved as a correct record

22 MID-YEAR TREASURY MANAGEMENT AND LOCAL AUDIT UPDATE REPORT

Anthony Thomas (Assistant Director Finance & Commissioning) presented the report. Mr Thomas noted a light touch has been taken towards capital expenditure projections at 6 months due the level of ongoing organisational change. It was noted that there are a few projects, such as the replacement leisure centre, where projections will need to be revisited. Capital receipts are slightly higher than budgeted. Strategic investments in the report were valued on 30th September 2022, one week after the Chancellor's 'mini-budget'. However, since then markets have begun to stabilise and recover and that should impact positively on the valuations. Strategic investments made in knowledge that they can fluctuate but with the confidence that over 3-5 year total returns can exceed interest rate changes. At present, the authority manages value volatility through the balance sheet due to a statutory override. However, this override is due to expire in March 2023. Mr Thomas confirmed that the council has requested, along with other local authorities, that this override is extended or made permanent. Mr Thomas confirmed that the withdrawal of the statutory override should not present an unexpected additional pressure on reserves, as an earmarked reserve has already been established, operating on the assumption that the override may potentially not be extended in March 2023.

Members asked if the council had any exposure to the Crypto-Currency market. Mr Thomas confirmed that there was no exposure to the crypto market.

Members noted the increase in revenues from the Right to Buy scheme and questioned whether higher costs could be incurred further down the line. Mr Thomas highlighted the national pressure of a deficit of social housing, noting that whilst the authority may reinvest the money gained into the Housing and Homelessness strategy, it would probably not be on a like-for-like number basis.

Members asked whether prudent and careful financial management would disadvantage the council in relation to the LUF bid. Mr Thomas stated he did not believe this to be the case and believes there was little more that could have been done to improve the bid submitted.

RESOLVED: Members reviewed the report and issues raised within. Members also reviewed the Prudential Indicators contained within the report.

23 INTERNAL AUDIT PROGRESS REPORT

Andrew Wood (Audit Manager) presented the report to committee. Mr Wood confirmed that 25% of the Audit Plan has been completed against a profiled completion of 50%. Mr Wood confirmed he will work with senior management to ensure that 90% completion of the audit plan against target is achieved. On the question of recruiting a new senior auditor, Mr Wood confirmed that the recruitment market continues to be tight and has not recovered since the pandemic. CIPFA have recently published an update to their guidance in respect of audit committees. This updated guidance includes information on the use of Independent or Co-opted members.

Mr Wood confirmed he was receiving a helpful level of engagement from Leadership Team and was confident that the timeframes for meeting high priority recommendations would be met.

Members suggested that the timing of the questionnaire may want to be reconsidered given that any decision over external support would depend on the composition of the committee following the 2023 local elections. Mr Wood clarified that one questionnaire is tailored for committee members, whilst the second constitutes a general review of committee effectiveness to be completed by the Audit Manager. It was suggested leaving the member questionnaires to the new municipal year whilst continuing with the latter questionnaire.

Members asked Mark Hooper (Governance Manager & Monitoring Officer) to formalise how the complaints report can be brought to the attention of Audit & Member Standards.

RESOLVED: To note Internal Audit's Quarterly Progress Report, including results for the quarter to 30 September 2022.

24 RISK MANAGEMENT UPDATE

Mr Wood presented the report. It was highlighted that SR1 is currently the only risk above the council risk appetite. Other significant changes included: SR2 has been updated to remove Covid specific risks; SR3 is being reviewed by Leadership Team in respect of the development of senior management and staff changes within the authority; SR6 has been removed from the risk register; SR8 has also been removed from the risk register and elements of this incorporated into SR2 and SR3.

Mr Wood confirmed that SR7 moves on a monthly basis, based on factors both inside and outside of the authority's environment. Christie Tims (Chief Operating Officer) highlighted the work undertaken to raise staff awareness and levels of training around cyber security as helping to create a more robust defence against threats.

Members highlighted election review guidance that will impact postal vote re-registration the introduction of photo ID, as factors that will heighten the level of risk around elections. Ms Tims confirmed that a briefing note on this was being prepared for O&S and would be extended to this committee.

Plans are in place regarding how to securely segregate the building now that other organisations and businesses are operating as tenants within Frog Lane. All shared spaces are known to be shared spaces and no confidential information is left in those shared spaces. All communications and technology infrastructure, though originating from the same team, is also kept entirely separate.

RESOLVED: Members noted the risk management update and received assurance on actions taking place to manage the Council's most significant risks.

25 COUNTER FRAUD UPDATE REPORT INCLUDING COUNTER FRAUD & CORRUPTION/WHISTLEBLOWING/ANTI-MONEY LAUNDERING/ PREVENTION OF TAX EVASION POLICIES

Mr Wood presented the report and highlighted that counter fraud work this financial year has included the National Fraud Initiative (NFI). He noted that one irregularity had been identified within the operations at Beacon Park, and a full investigation and review has been reported to management and this committee.

Mr Wood confirmed that the next full version of the report will include CIPFA consultation and be brought to the committee.

Members asked where responsibility for FOI requests fell within the authority and were assured that Laura Brentnall had been hired as a Compliance & Data Protection Officer to improve the service information environment. This includes reducing the number of FOI requests by making relevant information more freely available. She confirmed that this information will be brought to the committee as briefing papers.

RESOLVED: To endorse the contents of this Counter Fraud update report.

26 GDPR/DATA PROTECTION POLICY

Laura Brentnall (Compliance and Data Protection Officer) introduced herself to the committee in her new role and presented the report. She confirmed that a few amendments had been made to the Data Protection Policy. It was noted that a significant amount of the work programme has been achieved with some of the medium risks also achieved, at least in part.. The Retention Schedule and Record of Processing Activities will be distributed to all tier 4 managers ahead of the new series of meetings scheduled to take place between the Compliance and Data Protection Officer and key stakeholders. These meetings will ensure these key documents are owned and regularly reviewed by all key stakeholders. Laura Brentnall confirmed regular updates will be brought to the committee including at the February 2nd, 2023 meeting. Members thanked Laura Brentnall for this excellent outcome.

RESOLVED: Members approved the updated Data Protection Policy to meet (UK GDPR) regulations as set out at Appendix A. The committee noted the action plan (Appendix B) to ensure all actions highlighted in a recent audit of GDPR are delivered in a timely manner and reported at future meetings as appropriate.

27 WORK PROGRAMME

Members raised concern about taxi licencing and queried what could be done to monitor private hire drivers who are licenced in other authorities but operating within Lichfield district. They suggested liaising with the local divisional police commander or asking O&S to work with the other authority as potential courses of action. Mr Wood suggested raising the issue at the Staffordshire Chief Auditor's group.

The Chair request that this be added as a follow up item on the agenda of the February 2023 committee.

RESOLVED: Members noted the contents of the work programme for the 2022/23 Year, including the addition of a Special committee meeting on 18th January 2023.

(The Meeting closed at 7.23 pm)

CHAIR