

AUDIT AND MEMBER STANDARDS COMMITTEE

23 MARCH 2023

PRESENT:

Councillors Ho (Vice-Chair), Grange, Norman, Silvester-Hall, White and M Wilcox

Officers in Attendance: Laura Brentnall, Will Stevenson, Anthony Thomas, Andrew Wood

Also Present: Councillor Rob Strachan (Cabinet Member for Finance and Commissioning), Robin Pritchard (Business Risk Solutions)

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Spruce (Chair) and Councillor R. Cross.

2 DECLARATIONS OF INTEREST

There were no declarations of interest made.

3 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 02 February 2023, previously circulated, were taken as read and approved as a correct record.

4 PUBLIC SECTOR INTERNAL AUDIT STANDARDS EXTERNAL QUALITY ASSESSMENT

Andrew Wood (Audit Manager) presented the report for review and endorsement. He introduced Robin Pritchard who provided a presentation to the committee on the External Quality Assessment.

Mr Pritchard noted that the Internal Audit Team scored effectively the local government sector average, comparable to much larger teams in their group of peers. He praised Mr Wood and noted the good practice of internal audit. He confirmed further resources had been put in place to supplement internal audit team where necessary, including technology support. "Control risk" was a factor identified for enhanced focus going forward, with a focus on risk-based approval and communication to all stakeholders on the risk that council faces.

Members praised the Internal Audit team and confirmed the reassurance provided by the presentation was useful. They questioned if the timescales for the action plans were realistic. Mr Wood confirmed his belief that the timescales are appropriate for bringing that information forward on a quarterly basis in the quarterly progress report. The aim is to enact a thematic review across the council, rather than focusing on one single area. That change will be a learning exercise. Mr Wood also noted that through the feedback received at committee on the quarterly report and member efforts to push forward on the strategic risk register, he felt well supported by the committee.

In response to member questions Mr Pritchard noted that going forward, although the plan prioritises significant risk areas, the audit team would be covered by the arrangement with BDO to have back up support when needed. Mr Wood also confirmed that there were open and direct lines of communication with the committee Chair, Vice-Chair, Section 151 Officer and through them to the Chief Executive.

Mr Wood confirmed that the transfer of teams to Lichfield West Midlands Trading Services LTD (LWMTS) was being picked up as part of the 2023/2024 audit planning process and he will be proposing to look at that going forward.

RESOLVED - Members noted the report, presentation and endorsed the Action Plan in respect of the External Quality Assessment.

5 INTERNAL AUDIT PLAN, CHARTER & PROTOCOL 2023/24

Mr Wood presented the report. He noted that three audits had been deferred. He confirmed that Internal Audit continue to liaise with the council about operational risks. Going forwards, there is a desire to examine mitigating controls in Internal Audit and ensure they are in line with the strategic objectives of the council. This approach will bring internal audit service in line with the current system of best practice and will be developed over the course of the financial year.

Mr Wood confirmed that the arrangements in place around the management of major projects will be examined, with a number of those identified for greater scrutiny into the standards expected. In response to member concerns about LWMTS, Mr Wood agreed to look at potential conflicts of interest and how the company accepts services into its portfolio. He highlighted the commercial experience of BDO as useful support on this.

Members highlighted section 9 of the Internal Audit Charter and the requirement to “declare annually any potential conflicts of interest to the Audit Manager.” Members requested that any new conflicts of interest should be declared as soon as they occur, not annually. Mr Wood agreed he was happy to make the suggested changes to the Charter.

Members noted that the section on Report Distribution does not include the role of Chief Operating Officer and stated it would be sensible for the inclusion of this role as the individual responsible for monitoring performance. Mr Wood agreed with the suggestion, noting the council has been in an area of transition regarding these new roles. He confirmed he was happy to include this suggestion in the report.

RESOLVED – That subject to the amendments proposed by Councillor White and seconded by Councillor Norman, members considered and approved the 2023/24 proposed internal audit plan, charter and protocol.

6 REVIEW OF THE EFFECTIVENESS OF THE AUDIT & MEMBER STANDARDS COMMITTEE

Mr Wood presented the report on Audit & Member Standards committee effectiveness. He highlighted that the committee has an overall score of 198 out of 200 against the CIPFA guidelines; a high degree of performance against the good practice principles. This indicated that the committee is soundly based and has in place a knowledgeable membership. The appointment of a suitably qualified independent member to the Audit Committee was noted as something that should be considered to strengthen the role of the committee.

Members stated that whilst the committee is in a strong position currently, the professional training of those chosen for the committee should be considered during the composition of committees after the local elections to continue the current the skill level.

Mr Wood agreed it would be advisable to skills audits earlier rather than later.

RESOLVED - Members considered the attached self-assessment checklist and endorsed any actions to improve its effectiveness as appropriate.

7 WORK PROGRAMME

Members noted the contents of the work programme for the remainder of the 2022/23 municipal year.

(The Meeting closed at 7.04 pm)

CHAIR