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AUDIT COMMITTEE

18 SEPTEMBER 2024

PRESENT:

Councillors P Taylor (Chair), Marshall (Vice-Chair), J Smith and Vernon

11 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Ho, Robertson, and Woodward.

12 DECLARATIONS OF INTEREST

There were no declarations of interest.

13 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting, held July 18th 2024, were taken as read and approved as a correct record.

14 OUTSTANDING AUDIT RECOMMENDATIONS

Ian Edwards (ICT Manager) and Kerry Dove (Chief Operating Officer) attended the meeting to discuss outstanding I.T. Audit Recommendations. Kerry Dove confirmed that only 10 of the publicly visible recommendations remain open. The I.T. team was considered to be in a good place after a transitional period. Ian Edwards did not believe there was any additional support required from Audit Committee.

Members asked about the recent CrowdStrike I.T. attack. It was confirmed that the council was relatively untouched by this, but it led the team to further focus on patches and updates to A.V. software.

Andrew Wood confirmed that once the ICT Auditor has reviewed 10% of those outstanding recommendations and is satisfied that they have been addressed, they would be removed from the list.

RESOLVED: The committee scrutinised the outstanding Audit Recommendations from the I.T. team.

15 EXCLUSION OF PRESS AND PUBLIC

The Committee elected not to exclude press and public.

16 CONFIDENTIAL ITEMS - OUTSTANDING AUDIT RECOMMENDATIONS

The committee was content that it had touched on these items within the Item 4 discussions.

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

Andrew Wood (Audit Manager) presented the report to the committee. He confirmed that the documents were now based on the corporate template for policies and that easy to use versions would be prepared to make them more understandable and easier to digest.

RESOLVED: The committee endorsed the contents of the Counter Fraud update report.

18 PFCC POLL CARD PRINTING INVESTIGATION REPORT

Christine Lewis (Elections & Democratic Manager) presented the report to the committee. She reported to members what happened with an error with external printers regarding a number of poll cards which resulted in a data breach. She explained the difference between the first and second run of poll cards and that it was the second smaller print run which was affected. She reported that measure had been taken at the time to remedy the issue and that the template had been changed and used in the general election to ensure no such breach could reoccur. Example versions of the old and new poll card templates were presented to members, and it was noted that it closer followed the legislation on design of poll cards. It was confirmed the integrity of the council data was protected and correct. The data protection officer advised those that had received affected poll cards were be instructed to destroy any poll card previously sent to them. The Returning Officer advised reporting the issue to the Information Commissioners Office (ICO) and their decision was noted by the committee.

Christine Lewis highlighted that the willingness of staff to help deliver replacement ballot papers as a great example of the "one council culture" at Lichfield District Council. She also flagged Customer Services specifically, as a key team in helping to address residents' concerns and queries with the issue.

It was confirmed the new poll card design only lists the electors name and address once on the document, mitigating the risk of the issue happening again.

The committee echoed the praise of officers across LDC and congratulated them on their work.

RESOLVED: The committee noted the issue and steps taken to resolve the data breach and measures taken to eliminate the risk of reoccurrence.

19 ANNUAL REPORT OF THE DATA PROTECTION OFFICER

Ian Edward spresented the report on behalf of the Data Protection Officer, Colin Cooke. He explained that staff are required to update their training on an annual basis. He confirmed that those who have not completed their training could potentially have their accounts suspended.

Kerry Dove explained that long term sick or maternity leave may present legitimate reasons why their training may have expired.

Members asked about the number of FOIs requested and the amount of officer time taken up by these requests. Kerry Dove explained that providing open data on the website and diverting residents to self-serve by finding this information themselves was a key method of trying to reduce the burden on officers.

Members asked if engagement had taken place with the group leaders to remind their group members to complete their training. Mr Edwards confirmed the login page for the training had been amended to make it more user friendly for members.

Kerry Dove highlighted that there may have been a historical underreporting of data breaches. Officers are being encouraged to report these breaches to the DPO to help mitigate the potential breach whilst live and provide lessons learned for the service area.

RESOLVED: The Committee noted and discussed the contents of the report.

20 STATEMENT OF ACCOUNTS 2023/24

Anthony Thomas presented the statement of accounts. He stated that the draft accounts did not achieve the May deadline as the council was still awaiting information on the pension fund. The deadline for the external auditors finding report was supposed to be 30st September, though the new government have confirmed this will change to the 28th of February 2025.

The external auditors confirmed they are required to report any errors over £53,000. Members asked about the increase in the useable reserves and unusable reserves. Mr Thomas explained the normal reasons for unusable reserves would mainly be related to changes in valuation of pensions or assets.

Members noted that the next election was listed as 2023.

Members asked when the art collection would be reviewed. Mr Thomas stated that this was likely valued for insurance purposes and would likely not be revalued.

Mr Thomas confirmed 93% of suppliers being paid within 30 days.

RESOLVED: The Committee:

- Noted the External Auditor's Draft Audit Findings Report (Agenda Item 11).
- Noted the Councils draft Statement of Accounts for 2023/24 (attached at APPENDIX A).
- Approved a delegation to the Chair and Vice Chair of Audit Committee to:
 - o Approve the Letter of Representation
 - o Approve any minor changes (defined as material changes to Core Statements) to the draft Statement of Accounts (other changes will need to be approved by the Audit Committee)
 - o Sign the Accounts once we have received assurance from Staffordshire Pension Fund external auditors, and when the Council's external auditors have completed their audit

21 AUDIT FINDINGS REPORT FOR LICHFIELD DISTRICT COUNCIL 2023/24

The External Auditors confirmed that pension assurances for the county council are still being sought but no formal date has yet been confirmed. At this point in the audit there is nothing significant to communicate to members.

It was confirmed that the external auditors had looked at circumnavigation as part of the management override control and confirmed they were content with the arrangements.

The incentive to misstate the accounts in a public sector organisation was very slim and there was limited incentive for management to override the controls in the same way that there may be in the private sector economy.

The pension fund auditor – KPMG – have confirmed they are expecting no delays.

RESOVLED: The committee approved the report.

22 WORK PROGRAMME

The committee reviewed the work programme.

23 EXCLUSION OF PRESS AND PUBLIC

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

24 PRIVATE MEETING WITH EXTERNAL AUDITORS

The committee held its private meeting with external auditors.

(The Meeting closed at 7.30 pm)

CHAIR