

**Minutes of the meeting of the Audit and Standards Committee
held on 23 May 2019**

Present

Members:

Councillors Parminder Singh Birdi, Mark Cargill, Neil Dirveiks, John Horner and Dave Reilly

Independent Members:

John Bridgeman CBE (Chair)

Officers:

Helen Barnsley, Democratic Services Officers
Paul Clarke, Deputy Internal Audit Manager
Sarah Duxbury, Assistant Director, Governance and Policy
Stuart Ikeringill, Heritage and Environment Group Manager
Lisa Kitto, Assistant Director (Interim) of Finance & ICT
Christopher Norton, Strategy and Commissioning Manager
Rob Powell, Strategic Director for Resources
Scott Tompkins, Assistant Director, Environment Services
Nichola Vine, Legal Services Manager

External Representatives:

Grant Patterson, Grant Thornton – Auditors

1. General

(1) Apologies

Councillor Bill Gifford and Bob Meacham OBE

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

None

(3) Minutes of the meeting of the Audit and Standards Committee held on 7 March 2019 and Matters Arising

It was agreed that the minutes be signed by the Chair as a true record.

Referring to Item 3 of the minutes, Contract Standing Orders, it was confirmed by Lisa Kitto, Assistant Director (Interim) of Finance & ICT that a draft outline of the scope for the working group, in relation to the review of financial regulation and the scheme of delegation issued to officers, would be circulated to the committee after the meeting. A full report is expected to be presented at the November meeting.

2. Reports Containing Confidential or Exempt Information

Resolved: That members of the public be excluded from the meeting for the item mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

3. 2018-19 Internal Audit Quarter 4 Progress Report

Resolved

The Committee agreed the recommendations as set out in the exempt minutes.

4. Exempt Minutes of the meeting of the Audit and Standards Committee held on 7 March 2019 and Matters Arising

It was agreed that the exempt minutes be signed by the Chair as a true record.

5. 2018-19 Annual Internal Audit Report

The report was presented to the committee by Paul Clarke, Deputy Internal Audit Manager who confirmed that the report summarises the results of internal audit work carried out in the year ending 31 March 2019.

The committee was pleased to note that the final opinion of the report was that the council's environment provides substantial assurance that the significant risks facing the authority are addressed. It was noted that this is a positive result for Warwickshire County Council.

With reference to page five of the report, the committee noted that the trend in opinions did not include 'full assurance' in 2017/18 and 2018/19. It was stated that full assurance is difficult to reflect on. Due to pressure on managers, audits will focus on known areas of risk rather than areas with known low level risk.

The Chair commented that the report reads well and that the audit processes at Warwickshire County Council were rigorous with very few complaints and incidents. There were strong, internal controls in place. Lisa Kitto, Assistant Director (Interim) of Finance & ICT confirmed that as part of the internal controls any outstanding audit actions were always reported to Corporate Board.

Resolved

That the Committee considers the results of internal audit work completed during 2018-19.

6. Annual Governance Statement 2018-19

Lisa Kitto, Assistant Director (Interim) of Finance & ICT confirmed that the Annual Governance Statement 2018/19 would be published at the end of May 2019 and that a copy would also be sent to the external auditors.

In response to a question from the Chair in relations to ensuring members of the public who do not have access to the internet do not miss out, Sarah Duxbury, Assistant Director, Governance and Policy confirmed that hard copies were printed out in the past but there was never a great take up of these and the cost of producing them did not make it worthwhile. As part of the digital transformation programme the council was ensuring that mobile technology works and that all the links published in the report also worked. The committee noted that libraries across Warwickshire offer access to computers but highlighted to officers the need to offer a print service to anyone who requests a hard copy of the report. It was agreed that this recommendation would be taken to Council.

The Chair noted that there was little mention of HS2 in the report and that Warwickshire County Council needs to continually assess the risks associated with the project. It was agreed that there should be an acknowledgement in the report of the ecological impact of HS2, the highway impact and the economic and safety concerns; in particular, the risks to the Fire & Rescue service during the construction phases.

The committee requested that the consistency of terms used in the report was checked; this action was agreed by officers.

It was agreed that the amended report would be presented to the committee in July and then be presented to Full Council.

Resolved

That the Committee endorse the draft annual governance statement, as outlined in Appendix 2 of the report.

7. Internal Audit Plan 2019-20

The report was presented to the committee who noted that there had been no significant changes and that the process followed was similar to previous years. The report gave particular focus to second and third lines of defence as well as back to basic assurances to make sure that every level is covered.

Following a question from Councillor Reilly with reference to why community safety had been graded as low priority, it was confirmed that this was a low risk area, and not a low priority area. Officers agreed to reconsider the wording and grading.

Resolved

That the Committee:

- 1) Approves the proposed plan; and
- 2) Note that no changes are currently required to the Audit Charter.

8. External Auditors' Progress Report

Grant Patterson, Grant Thornton – Auditors presented the report to the committee and confirmed that the external auditors are satisfied that Warwickshire County Council takes a professional approach and that there are no matters to report. There are no issues and nothing of concern to bring to the attention of the committee at this point in time.

Resolved

That the Committee consider the External Auditors' Progress Report.

9. Work Programme and Future Meeting Dates

The following was agreed by the committee –

- Contract Management will be added to the audit team work programme
- Confirmation will be provided in relation to the Risk Management Plan
- In relation to the Transformation Programme, the committee meeting in November 2019 will provide an opportunity to review the input audit has had in the process

The committee noted the work programme and future meeting dates to be held in Shire Hall at 10:00 a.m. as follows:

- 24 July 2019
- 7 November 2019
- 26 March 2020

10. Any Other Business

None

The Committee rose at 11:54am

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Chair