

Audit and Standards Committee

Thursday 19 May 2022

Minutes

Attendance

Committee Members

John Bridgeman (Chair)
Councillor John Cooke
Councillor Sarah Feeney
Councillor Bill Gifford
Councillor Brian Hammersley
Councillor Christopher Kettle
Robert Zara

Officers

Virginia Rennie, Strategy and Commissioning Manager (Strategic Finance)
Sarah Duxbury, Assistant Director - Governance & Policy
Paul Clarke, Internal Audit Manager
John Coleman, Assistant Director - Children and Families
Olivia Cooper, Service Manager (Contract Management & Quality Assurance)
Andrew Felton, Assistant Director - Finance
Chris Norton, Strategy and Commissioning Manager (Treasury, Pensions, Audit, Risk & Insurance)
Rob Powell, Strategic Director for Resources
Andy Carswell, Democratic Services Officer

1. General

The Chair informed the Committee there were two new members and introduced one of them, Councillor John Cooke. The other new member, Councillor Bhagwant Singh Pandher, was unable to attend as he had committed to another engagement prior to being appointed to the Committee.

The Chair referred to the sad passing of Councillor John Horner the previous week. He said Councillor Horner had been a long-standing member of the Committee and had made a great contribution over the years. The Chair said Councillor Horner read the paperwork assiduously, spoke well at meetings and would be missed by all. He noted a number of tributes had been paid to him at Full Council earlier in the week. Members stood for a minute's silence in memory of Councillor Horner.

(1) Apologies

Apologies were received from Councillor Bhagwant Singh Pandher.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

There were none.

(3) Minutes of the previous meeting

The minutes of the meeting of the Audit and Standards Committee held on 25 March 2022 were agreed as an accurate record to be signed by the Chair, save for an amendment to show that Paul Clarke was Internal Audit Manager and not Deputy. Arising from the minutes it was confirmed that the Warwickshire Pension Fund was at nearly 100 per cent funding whereas other Funds were higher than this figure. It was also agreed to recirculate the membership of the SEND steering group.

2. Annual Governance Statement 2021/22

Chris Norton (Strategy and Commissioning Manager - Treasury, Pensions, Audit, Insurance, and Risk) introduced the item and explained this was a draft report that would return to the Committee and to Cabinet before final ratification. It had also been considered by Corporate Board, statutory officers and an AGS evaluation panel. Chris Norton stated that although the Council faces a number of challenges the report had not identified any significant corporate governance failings that members should be made aware of.

Chris Norton said there was a corporate code of governance; however, responding to a question from the Chair about how employees are made aware of governance requirements, he explained that not all employees would read or be trained on the corporate code of governance directly. For example there may be certain employees whose job role required additional training in governance matters, and there were policies and procedures in place to ensure this took place. However, the Council has a code of behaviours that is provided to all employees on how they are expected to conduct themselves. Sarah Duxbury (Assistant Director of Governance and Policy) said there was a comprehensive suite of training and development available for new starters, which included elements of good governance, expected behaviours and the culture at Warwickshire County Council. More bespoke training would be available for officers working in areas such as finance, procurement, legal and data protection. These areas included more intensive training around good governance.

Councillor Feeney asked for an update on the Voice of Warwickshire panel, and queried whether there should be a reference to trade unions in the report. Rob Powell (Strategic Director for Resources) said the Voice of Warwickshire group had taken part in three exercises and there had been good levels of engagement with all three. The first was to gain insight into members' knowledge of local government; the second related to climate change; and the third related to levelling up. Results of the first two engagement exercises were available online, with the responses to the third exercise due to be discussed at July's Cabinet meeting. Regarding trade unions, Rob Powell said this was something that ought to be included and said he was happy for this to be added.

It was agreed the hyperlink to the code of corporate good governance included in the report would be amended after Robert Zara noted that it did not work.

Regarding the SEND inspection referenced in the report, Andy Felton (Assistant Director – Finance) said the internal actions relating to this were either completed or progressing. Additionally partner agencies were making good progress; for example the CCG had secured extra funding to help with mental health services. More information on this, and the HMICFRS fire inspection, would be included in the final version of the report. John Coleman (Assistant Director – Children and Families) said the SEND service was being monitored by the Department for Education and NHS England through monthly meetings. Targets had been broken down into four target areas and all of these were making good progress.

Regarding the HMICFRS report, Rob Powell said there had been a number of re-inspections in relation to the areas of concern that had been raised and considerable progress was being made. Cabinet had approved a new strategy relating to the areas for improvement.

Councillor Chris Kettle said he was encouraged to see the improvements being made; however he noted that in Principles A-F listed in the report there did not appear to be areas of reflection noted, whereas they were shown under Principle G. Rob Powell said this was because these were areas of improvement noted by external inspections. Any areas of concern raised internally were noted in Appendix A of the report.

Responding to a question from Councillor Feeney, Sarah Duxbury said a strategy for recruiting and retaining staff was being implemented. She said staff recruitment and retention was a national issue so attention was being given to considering what made Warwickshire County Council an attractive place to work to persuade potential recruits to join, such as the agile working offer.

The Chair noted the response to the enquiry on child sexual exploitation had been praised and recognised externally, and this was worth highlighting.

Councillor Bill Gifford noted that under the table for governance improvement actions the SEND inspection did not have an allocated action owner or target completion date, and the code of corporate governance review also did not have an action owner. Andy Felton said these had not yet confirmed in time for the draft to come to the Committee but would be by the time the final version came back for consideration. He added the action owner for the SEND report was likely to be Duane Chappell. It was also confirmed the name of the new independent commissioning service would be included in the final report. Responding to a question from Councillor Gifford, Andy Felton said the recommendations made from the capital programme were starting to be implemented and it was likely to be quarter 2 before they were in place.

The Committee endorsed the draft Annual Governance Statement for consideration by external auditors.

3. Internal Audit Annual Report 2021-22

Paul Clarke (Internal Audit Manager) introduced the item, explaining the Internal Audit Team provided an independent reassurance for services across the Council. The report provided a summary of the monitoring reports considered by the Committee throughout the past financial year. There was a strong degree of openness and transparency evidenced during the year and a clear and recognised expectation that any issues identified should be brought into the open for further consideration. Although some issues had been raised, none of them could be considered as major systemic failings. In cases where issues had been raised, action plans had been

formulated and implemented and more details on this would be available at the next Committee meeting.

Responding to a question from Councillor Cooke about assurances, Paul Clarke said the level an issue would be assigned took into account the number of issues that had been found and also their severity. For example if a number of significant weaknesses were identified, or more than four significant recommendations were made, then limited assurance would be applied. Guidance was provided in the auditors' manual to provide consistency. Paul Clarke said he was happy to discuss this with Councillor Cooke outside the meeting.

Responding to a question from the Chair, Paul Clarke said the team was not fully staffed with permanent employees but any vacancies had been filled with agency staff. A new auditor had started in the last few weeks but vacancies remained, and it had been difficult to recruit.

Councillor Kettle noted that fewer cases of moderate or low assurance were recorded in the graph in the report. Paul Clarke said this was a summary overview of the year and the same elements were not reviewed each year, so it was not necessarily possible to do a like-for-like comparison with previous years. Areas of known risk would be audited and other areas where issues had been identified would be monitored through the agreed action plans. These would be revisited later if significant issues continued to be identified once the action plans were embedded.

Councillor Feeney noted a school was mentioned in the report as being of limited assurance, and asked what work was being done to make sure schools took on any recommendations. Paul Clarke said it was not possible to audit all schools due to resource constraints. Priority was being given to schools where there was a significant change, such as a change of headteacher or governing body. Sarah Duxbury said officers in the education team would also flag up if there were any issues within a certain school, or if there was a thematic issue that had been raised that would be highlighted through the Headteacher briefing sessions to raise awareness. The Chair said it was important to encourage schools to have episodes of critical self-examination, but also for schools to feel they could ask for support. Councillor Gifford said he found the level of detail in the internal audits to be very useful and they would be helpful to school management.

Paul Clarke said the traded services draft report was nearly finalised and it was not anticipated there would be major changes before being brought to the July Committee meeting. Councillor Kettle asked if a future paper would be able to report if any concerns raised in previous years' audits had been addressed.

The Chair said he was pleased with the report and hoped it accurately reflected the work that had been carried out over the past year.

Members noted the contents of the report.

4. Audit and Standards Committee - Annual Report 2020/21

Members were content for the Annual Report to go forward to Full Council, save for an amendment to say Councillor Kettle was also a new member for the 2020/21 municipal year. It was also agreed that comments paying tribute to Councillor Horner would be added to the final report.

5. Work Programme and Future Meeting Dates

Members noted the contents of the work programme and dates of future meetings.

6. Any Other Business

Councillor Kettle said he was concerned the Council did not operate a commitment-based reporting system, even though it was in the CIPFA guidelines to public sector bodies that accounts should be reported on an accrual or commitment-based system. He said it appeared the reporting of accounts was not being done on a basis that was consistent with those produced at the end of the financial year. He asked how could the Council progress so that reports used inside and outside the authority would shift towards the required commitment-based standards throughout the year, and not just at year end. The Chair said this matter should be raised with the relevant officers and a paper may need to be presented to the Committee in due course. He requested that the matter be pursued with the relevant officers.

Councillor Gifford said he had been contacted by families hosting Ukrainian refugees who had secured a place at school but there had been a delay in their ability to start attending, and asked if there was a way this could be sped up. Rob Powell said this was an issue to be resolved elsewhere, but said the Council was aware of the issue and there was an admissions code that needed to be followed.

7. Reports Containing Confidential or Exempt Information

Resolved:

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

8. Exempt Minutes of the Meeting of the Audit and Standards Committee Held on 25 March 2022 and Matters Arising

The exempt minutes of the meeting held on 25 March 2022 were approved as an accurate record.

Members received a confidential update on supported accommodation.

The meeting rose at 11.32am

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Chair