

# Audit and Standards Committee

Thursday 23 March 2023

## Minutes

### Attendance

#### Committee Members

John Bridgeman (Chair)  
Councillor John Cooke  
Councillor Bill Gifford  
Councillor Brian Hammersley  
Councillor Christopher Kettle  
Robert Zara  
Councillor Sue Markham

#### Officers

Amy Bridgewater-Carnall, Senior Democratic Services Officer  
Sioned Harper, Solicitor - Adults and Education Legal Team  
Andrew Felton, Assistant Director - Finance  
Chris Norton, Strategy and Commissioning Manager (Treasury, Pensions, Audit, Risk & Insurance)  
Rob Powell, Strategic Director for Resources  
Paul Williams, Delivery Lead – Governance Services

### 1. General

The Chair welcomed everyone to the meeting.

#### (1) Apologies

Councillor Sue Markham substituted for Councillor Bhagwant Singh Pandher. The Chair welcomed her to her first Audit & Standards Committee meeting.

Apologies for absence were received from Councillor Sarah Feeney, and officers, Virginia Rennie and Nic Vine.

#### (2) Disclosures of Pecuniary and Non-Pecuniary Interests

There were none.

#### (3) Minutes of the previous meeting

The minutes of the meeting held on 26 January 2023 were agreed.

## **2. Scrutiny Review Update**

The Committee received a report on the progress made on the implementation of the Scrutiny Review Action Plan and the plans for the continued development of the Council's approach to scrutiny.

Paul Williams, Delivery Lead – Governance Services, introduced the report explaining that all Local Authorities had a statutory responsibility to operate an Overview and Scrutiny Committee. He explained that, having been involved in scrutiny for over 20 years, he was confident that the County Council managed a very successful scrutiny function but recognised that any system could be improved. The report provided background advising that, following a review of Overview and Scrutiny in 2020 by Dr Jane Martin CBE, she had produced a report, including recommendations, and the progress made on these were included in Appendix 1.

Paul Williams gave further detail and explanation as to how the draft principles outlined at paragraph 1.6 of the report, worked in practice and how these underpinned the values and culture of Warwickshire County Council. He advised that a workshop was planned after Annual Council in May, to help finesse the principles, with external trainer Beth Evans undertaking the training.

Following a question from Councillor Cooke, the acronym relating to SMART objectives was clarified as Specific, Measurable, Achievable, Relevant, and Time-bound.

The Chair opened up the discussion and queried how well Councillors felt the scrutiny process worked. Following a question from Councillor Kettle, the definition of scrutiny was expanded on. Councillor Hammersley felt that scrutiny should result in an elected member having the same knowledge as the administration with good transparency of decision making, enabling everyone to recognise problems and help to find solutions. He also noted that it was important for members of the public to see that the Council was being run properly and was not encountering problems similar to other authorities in the country.

Councillor Gifford raised a concern that scrutiny did not have sufficient time to scrutinise past decisions, with many authorities focusing on upcoming decisions rather than past ones. He highlighted the difference that at District level, scrutiny was chaired by opposition Members but he noted that the County Council had independently minded Chairs and recognised that this choice often depended on the party numbers involved.

Councillor Markham outlined her experience of scrutiny at Nuneaton & Bedworth Borough Council and felt this had helped her gain an understanding of the subjects being discussed. She highlighted that scrutiny members had to commit to reading and digesting a lot of information in order to be effective in their role.

Councillor Kettle highlighted the importance of the Overview and Scrutiny Committees' scope and how this could alter the effectiveness of scrutiny. He also referred to paragraph 1.13 which related to measuring effectiveness and how this could be achieved. It was agreed that most Members were able to leave any political bias at the door and this did not appear to be an issue at the County Council.

In response to a question from the Chair, Paul Williams outlined who would be invited to the workshop training in May and extended the invitation to any member of the Committee. It was agreed that the Chair would like to be involved.

The Chair thanked Paul Williams for a very full account and assured him of the Committee's support.

**Resolved** that the progress made on implementation of the Scrutiny Review Action Plan and the plans for the continued development of the Council's approach to scrutiny, are noted.

### **3. CIPFA Financial Management Code - Warwickshire County Council Self-Assessment 2022/23**

The Committee received a report outlining the progress made on the delivery of the planned improvements in financial management during 2022/23, attached as Appendix A to the report. In addition, the report included an updated Council self-assessment which reflected the changes made and detailed the improvements planned for 2023/24, attached as Appendix B.

Andy Felton, Assistant Director - Finance, introduced the report and explained that this document set out the minimum standards the local authority was expected to comply with. The financial management standards helped assure everyone that the Council was making good financial decisions and was delivering good value for money. He highlighted that CIPFA and the Council's external auditors, Grant Thornton, expected the Council to reach these minimum standards, in order to produce good quality accounts and to comply with the code. However, it was stressed that the Council continued to strive to deliver better than the minimum standards expected and go beyond what was being asked for.

Robert Zara requested assurance and clarification on why the level of activity through the two investment vehicles detailed on page 42, Warwickshire Recovery Investment Fund (WRIF) and the Warwickshire Property and Development Group (WPDG), had been lower than anticipated over the past two years. Andy Felton explained the governance processes involved in the separate schemes and the circumstances which led to changes in timescales, investment levels and the level of interest being achieved.

Members noted that the main driver for the WRIF was to respond to the market and deliver deals that were right for the Council and which would stimulate the appropriate developments for Warwickshire. The investment profile had not been as envisaged due to subsequent economic and global factors impacting the market, interest rates and inflation. In relation to the WPDG, the Committee were assured that the governance arrangements were very solid, had a good level of Member oversight and necessary controls at all stages.

Following a question from Councillor Kettle, Andy Felton outlined who had access to financial information, explained the forecasting and budgeting process, how this was overseen, managed and monitored and the various training packages delivered.

The Chair asked how officers decided the level of standards to aspire to. In response Rob Powell explained that the authority had invested a lot in improving financial performance, resulting in the ability to deliver savings and run cost-effective services. He assured the meeting that the Council was well-run and officers were not over-complying or gold-plating.

Councillor Kettle raised a query relating to the Corporate Board 'Quarterly Stocktake' as he hoped that the updates were being provided more frequently than every three months and Andy Felton advised that there were ongoing monthly financial reports to Corporate Board, as well as the more strategic quarterly stocktake of the Council's overall portfolio of work. The Chair queried the reporting process for the quarterly stocktake and was advised that these papers flowed into the reports considered at Cabinet, and so would be visible to the Committee through the public Cabinet papers.

Rob Powell expanded on the wider purpose of the Quarterly Stocktake and explained how the evolution of this had flowed from the LGA Peer Challenge last year. He gave an example of one of the issues that Corporate Board was looking into in greater detail which had led to the Home to School Transport Member Working Group being set up.

Councillor Hammersley stated that he was satisfied with the information contained in the report and due to the extensive responsibilities of the officers, he had confidence they were competent in their roles.

Having considered the report, the Committee

**Resolved** that

- 1) the progress made on the delivery of the planned improvements in financial management during 2022/23, is noted; and
- 2) the Council's assessment of its compliance with the CIPFA Financial Management Code and the improvements planned for 2023/24 have been considered and are noted.

#### **4. Internal Audit Plan 2023/24**

The Committee received a report which outlined the proposed Internal Audit Strategy and Plan for 2023-24, attached at Appendix A to the report.

Following discussions with Legal, the Chair advised that the recommendation would be amended to reflect the Committee's responsibility to approve the plan, not endorse it.

Paul Clarke, Internal Audit Manager, introduced the internal strategy and plan for the next year, which provided assurance that the Council was maintaining an effective control environment that enabled it to manage its significant business risks. He provided an overview of the different appendices attached to the report and highlighted key information within them. Paul Clarke also referred to the Audit Charter which had been reviewed but no changes made. It had therefore been included for completeness.

It was noted that the Audit team were carrying staff vacancies but Paul Clarke felt that resources were stable and sufficient at the present time.

Robert Zara asked for reassurance relating to Strategic Risk number 16, which dealt with a potential loss to the Council from investments. Paul Clarke explained that this risk related mainly to a potential risk of detriment to the Council's reputation and went on to assure that the audit plan would be looking at WRIF and WPDG in due course as part of the portfolio of planned work.

Councillor Kettle raised a query relating to third party suppliers and the assurance that the Council was achieving value for money. Officers advised that Value for Money was considered within the audit of procurement services and stand-alone studies were not carried out.

Councillor Gifford felt that this was an issue that should be dealt with at the procurement stage and should be part of the planning for individual departments. He did not feel that Councillors could investigate every item that was procured and Internal Audit were limited as to how deeply each item could be looked into. In response, Councillor Kettle explained that he thought the relationship between procurement and the contractor should be looked at because it could lead to a lack of control in the cost of work.

The Chair supported the point and noted that processes could be looked at to ensure the right value for money decisions were being taken.

Rob Powell reminded the meeting that the Medium-Term Financial Strategy focused heavily on savings and efficiencies whilst the service areas were concerned with contract management. He gave assurance that CIPFA benchmarking and national satisfaction surveys placed the authority as very cost effective and high performing in terms of highways maintenance and that officers were always looking for better value for money through third party spend.

The Chair concluded the discussion by summarising that the internal audit general programme of work looked sensible and the risk assessment looked good. Councillor Gifford was pleased that SEND was on the work programme.

**Resolved** that the Internal Audit Strategy and Plan for 2023/24, attached at Appendix A, is approved.

## **5. Work Programme and Future Meeting Dates**

The Committee considered the Work Programme and noted that the SEND item had been added for future consideration along with the Committee's Annual Report.

The Chair also advised that both he and the Vice-Chair would struggle to attend the 21 March 2024 meeting date and it was agreed that an alternative date would be circulated in due course.

## **6. Any Other Business**

There was none.

## **7. Reports Containing Exempt or Confidential Information**

Agreed

## **8. Internal Audit Progress Report**

The Committee received a confidential update.

The meeting ended at 11:35