

EAST STAFFORDSHIRE BOROUGH COUNCIL

SCRUTINY (AUDIT AND VALUE FOR MONEY COUNCIL SERVICES) COMMITTEE

Minutes of the Meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held in a virtual environment on 25th June 2020.

Present:

Councillors P. Hudson (Chairman), L. Beech, Mrs B. Brady, A. A. Chaudhry, A. Clarke, M. Fitzpatrick, S. Gaskin, Mrs V. J. Gould, H. Hall, M. Metcalfe, G. Raybould, S. Sankey and C. Sylvester.

Also Present:

Councillors D. Goodfellow (for Minute nos. 94/20 to 115/20), R. G. Grosvenor and Mrs J. Jones (for Minute nos. 94/20 to 112/20).

Officers Present:

Andy O'Brien (Chief Executive), Sal Khan (Head of Service), Mark Rizk (Head of Service), Lisa Turner (the Chief Accountant), James Abbott (Corporate and Commercial Manager), Simon Allaway (Leisure Services Contracts Officer) and Monica Henchcliffe (Senior Democratic Services Officer).

Also Present:

Ruby Deo and Tim Ridout (Internal Auditors – CW Audit), Michael Green and David Rowley (Grant Thornton).

An apology for absence was received from Councillor D. F. Fletcher.

94/20 **DECLARATIONS OF INTEREST**

There were no declarations of interest at the commencement of the meeting.

95/20 **MINUTES**

Resolved:

That the Public Minutes of the meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held on 10th February 2020 be approved and signed as a correct record.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor B Brady		Councillor L Beech
Councillor A A Chaudhry		Councillor A Clarke
Councillor S Gaskin		Councillor M Fitzpatrick
Councillor V J Gould		
Councillor H Hall		

Councillor P Hudson		
Councillor M Metcalfe		
Councillor S Sankey		
Councillor C Sylvester		

Councillor G. Raybould did not vote as he was not present in the meeting when the voting was being cast.

96/20 **URGENT BUSINESS**

There was no urgent business submitted to the meeting pursuant to Rule 12.

97/20 **EXTERNAL AUDIT PLAN**

(Grant Thornton) The representative from Grant Thornton gave an overview of the planned scope and timing of their audit. A report outlining the consequences of their work, to discuss issues of risk, the concept of materiality with them, and to identify any areas to undertake additional procedures, was submitted prior to the meeting for Members consideration.

An opportunity for questions followed.

NOTED

98/20 **INFORMING THE AUDIT RISK ASSESSMENT**

(Grant Thornton) The representative from Grant Thornton gave an overview regarding the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'. The report circulated prior to the meeting covered some important areas of the auditor risk assessment where they were required to make inquiries of the Audit Committee under auditing standards.

An opportunity for questions followed.

NOTED

99/20 **INTERNAL AUDIT PLAN 2020/21**

(CW Audit) Internal Auditor (R. Deo) gave a short presentation setting out the proposed plan of internal audit coverage for the period April 2018 to March 2019. The aim of the plan was to deliver a risk focussed audit programme, be proactive and forward looking, to add value and to provide assurance to management and the Audit Committee.

An opportunity for questions followed.

Resolved:

Members agreed to accept the plan.

100/20 **HEAD OF INTERNAL AUDIT OPINION REPORT 2019/20**

(CW Audit) Internal Auditor (T. Ridout) gave a short presentation on the annual report of Head of Internal Audit Opinion 2019/20 to East Staffordshire Borough Council summarising the activities of Internal Audit for the period 1st April 2019 to 31st March 2020.

The Public Sector Internal Audit Standards required that the Head of Internal Audit provided a written report to those charged with governance, to support the Annual Governance Statement.

Members considered the opinion, together with management assurances, its own knowledge of the organisation and assurances received throughout the year from other review bodies when producing its Annual Governance Statement. A summary of the work the internal audit performed and delivered against the plan was provided in the report.

An opportunity for questions followed.

NOTED

101/20 **INTERNAL AUDIT PLAN PROGRESS REPORT**

(CW Audit) Internal Auditor (T. Ridout) gave a report summarising the work of internal audit, outlining the progress against the audit plan, the key findings and conclusions arising from their work, details of planned work and to update the Committee on the progress made in implementing previously agreed recommendations.

An opportunity for questions followed.

NOTED

102/20 **REVENUE AND CAPITAL OUTTURN REPORT 2019/2020 – QUARTER 3 & 4**

Members considered the report of the Chief Finance Officer in accord with the Council's financial regulations, presenting the forecast outturn position in relation to the Council's revenue budget, capital programme of expenditure and treasury management activities.

The Chief Accountant gave a short presentation on the third and fourth quarterly report in the annual cycle of financial monitoring for the financial year 2019/2020.

An opportunity for questions followed.

Councillor S. Sankey requested that the Council's debt is benchmarked in a similar way to its investments and a breakdown of the non-Covid-19 environmental services overspend.

The Chairman informed Members that a response would be provided outside of the meeting.

NOTED

103/20 **ANNUAL TREASURY MANAGEMENT REPORT 2019/20**

The Chief Accountant presented the Annual Treasury Management providing a review of treasury activities during the year against the approved Treasury Management Strategy Statement (TMSS).

An opportunity for questions followed.

Resolved:

Members reviewed the Annual Treasury Management Report 2019/20 (and associated Prudential Code Indicators), as set out in the Report, and recommended it to full Council.

104/20 **ANNUAL GOVERNANCE STATEMENT 2020/21**

Members were requested to consider the Annual Governance Statement along with the supporting process to ensure they were independently reviewed and approved.

A proposal was put forward by Councillor P. Hudson (seconded by Councillor C. Sylvester) to **approve** the statement.

Resolved:

That Audit Committee approved the Annual Governance Statement.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor L Beech		
Councillor B Brady		
Councillor A A Chaudhry		
Councillor A Clarke		
Councillor M Fitzpatrick		
Councillor S Gaskin		
Councillor V J Gould		
Councillor H Hall		
Councillor P Hudson		
Councillor M Metcalfe		
Councillor G Raybould		
Councillor S Sankey		
Councillor C Sylvester		

105/20 **PERFORMANCE REPORT – QUARTER 3 & 4**

The Report of Sal Khan, Head of Service, regarding the Quarter 3 and 4 Performance was considered. The Corporate and Commercial Manager provided an overview of the report to the committee.

An opportunity for questions followed.

NOTED

106/20 **SCRUTINY PROGRAMME**

The Corporate and Commercial Manager gave an oral report on the scrutiny work programme. He requested that Members gave consideration to any new topics to be included on the programme. He reported that at the previous meeting, there were three potential topics identified below for review:

- Accommodation - move back to the Town Hall
- Effectiveness of Scrutiny Process
- Changes to the operation of the Neighbourhood Fund

The Chairman also put forward a number of topics that he had considered could be reviewed next, namely:

- Waste Management
- Accommodation move back to the Town Hall
- Civic Events and the use of the Town Hall
- Effectiveness of the Scrutiny Process
- Cost of running the Cemetery

Councillor A. Clarke requested the Digital Services, looking at the Council's internal IT systems and their value for money, could also be added to the list.

Resolved:

1. That Members would email their topic prioritisation preference for review.
2. That the Corporate and Commercial Manager would circulate the programme list and co-ordinate with Members to identify the topics for review and identify sub-group members.

107/20 **REVIEW OF THE COUNCIL SERVICES**

Councillor Metcalfe on behalf of the sub-group, gave a brief presentation on the progress made for the review of the Council's services. He reported that the sub-group were aiming to complete the review by the next meeting on 9th September 2020.

An opportunity for questions followed.

NOTED

108/20 **REVIEW OF LEISURE CENTRE CHARGES**

Councillor A A Chaudhry, on behalf of the sub-group gave a brief presentation on the progress made for the review of the leisure centre charges.

He informed the Committee that the sub-group had established the scope of the review at the end of February. They had received the information in answer to their questions, which they were currently analysing and calculating. Meetings are being arranged with the Support Officer in the next few weeks.

Councillor Chaudhry also confirmed that they were looking to conclude the review by the next meeting 9th September 2020.

An opportunity for questions followed.

NOTED

109/20 **PUBLIC EXECUTIVE DECISION RECORDS**

Members considered the Public Executive Decision Records.

An opportunity for questions followed.

NOTED

110/20 **QUESTIONS**

There were no questions submitted to the Committee prior to the meeting.

111/20 **DATE AND VENUE OF NEXT MEETING**

Resolved:

That the next meeting take place on Wednesday 9th September 2020 at 6.30pm.

112/20 **EXCLUSION OF THE PRESS AND PUBLIC**

Resolved:

That, in accordance with Section 100(A) (4) of the Local Government Act, 1972, the Press and Public be excluded from the Meeting during discussion of the following items as it would likely, in view of the nature of the business to be transacted or the nature of the proceedings that there would be disclosed exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Act indicated in brackets before each item number on the Agenda:

PRIVATE MINUTES

LEISURE MANAGEMENT CONTRACTOR PERFORMANCE REPORT

PRIVATE EXECUTIVE DECISION RECORDS

Chairman