



MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 29th OCTOBER 2020

PRESENT: Councillor M Summers (Chair), Councillors M Bailey (Vice-Chair), C Cooke, J Faulkner, M Oates, S Pritchard and R Rogers

Officers Stefan Garner (Executive Director Finance), Lynne Pugh (Assistant Director Finance), Zoe Wolicki (Assistant Director People), Rebecca Neill (Head of Audit & Governance and Monitoring Officer), Tracey Pointon (Legal Admin & Democratic Services Manager), Jodie Small (Legal, Democratic and Corporate Support Assistant) and Adam Deakin (Technical Infrastructure Engineer)

Visitors Terry Tobin (Grant Thornton)

Apologies: No Apologies were received.

58 MINUTES OF THE PREVIOUS MEETING

The Chair requested that the Committee observe a one minute silence in tribute to the late Councillor Michael Greatorex, who had been a much valued member of the Committee, on the one year anniversary of his passing

The minutes of the meeting held on 23rd July 2020 were approved and signed as a correct record.

(Moved by Councillor M Oates and seconded by Councillor J Faulkner)

59 DECLARATIONS OF INTEREST

There were no declarations of Interest.

60 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW 19/20

The Assistant Director, People summarised the report which detailed the contents of the Local Government and Social Care Ombudsman's Annual Review Letter and summary of complaints, enquiries and decisions made for the year ended 31st March 2020. Following questions, the Chair requested that future reports contained more detail on upheld complaints and what measures the Council was taking to address any underlying issues that had led to those complaints.

RESOLVED That the Committee;

Endorsed the Annual Review Letter and summary of complaints, enquiries and decisions made as attached at Appendix 1.

(Moved by Councillor M Summers and seconded by Councillor C Cooke)

61 AUDIT FINDINGS REPORT 2019/20

Terry Tobin from Grant Thornton, the Council's external auditors, summarised the report. Following questions from Committee members, the Chair requested that both the external auditors and the Council's finance team be thanked for delivering an unqualified set of accounts and value for money audit opinion despite having to conduct the audit remotely due to the current Pandemic situation.

RESOLVED That the Committee;

Noted the Audit Findings Report 2019/20.

(Moved by Councillor C Cooke and seconded by Councillor S Pritchard)

62 MANAGEMENT REPRESENTATION LETTER 2019/20

The Executive Director, Finance summarised the management representation letter highlighting the salient points within.

RESOLVED That the Committee;

Approved the Management Representation Letter 2019/20.

(Moved by Councillor C Cooke and seconded by Councillor J Faulkner)

63 ANNUAL STATEMENT OF ACCOUNTS & REPORT 2019/20

The Executive Director Finance presented the annual statement of accounts and report to the Committee. He highlighted that there had been one late adjustment since the report had been issued, relating to the treatment of £1.1m of the Section 31 Business Rate Relief Grant. He requested that the recommendation to approve the annual statement of accounts 2019/20 include a corresponding adjustment of £1.1m on the balance sheet from debtors to creditors with no effect on the bottom line. Following this, assurances were sought from the Committee on the effect of the Pandemic on investment property valuations.

RESOLVED That Members;

- 1 Approved the Annual Statement of Accounts 2019/20 including a corresponding adjustment of £1.1m on the balance sheet relating to Section 31 Business Rate Relief Grant from debtors to creditors, with no effect on the bottom line;
- 2 Delegated authority to the Chair of the Audit and Governance Committee to approve any changes and re-sign the accounts, if necessary, once we have received assurance from Staffordshire County Council's external auditors in relation to the Staffordshire Pension Fund.

(Moved by Councillor M Summers and seconded by Councillor J Faulkner)

64 REVIEW OF THE ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS 2019/20

The Executive Director Finance presented the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2019/20 as approved by Council on 15th September 2020. He asked members to consider whether they would highlight any proposed changes for recommendation to Cabinet. Following questions regarding the investments in property funds, no changes were proposed.

(Moved by Councillor M Summers and seconded by Councillor C Cooke)

65 REVIEW OF THE PROPOSED INVESTMENT IN PROPERTY FUNDS

The Executive Director Finance presented the report on the review the proposed investment in property funds. Following questions and debate, Councillor J Faulkner proposed an amendment to the recommendation that no further investment in property funds be undertaken until a review in Spring 2021 to

include a commitment that no new investments are made under existing delegations until after the review is completed. This amendment was moved by Councillor J Faulkner and seconded by Councillor C Cooke.

Following a vote, the motion was not carried.

RESOLVED That Members;

recommended to Cabinet that the planned investments in property funds be deferred, with a review during Spring 2021 when the situation should be clearer, to inform future investment plans

(Moved by Councillor S Pritchard and seconded by Councillor M Bailey)

66 RISK MANAGEMENT QUARTERLY UPDATE

The Assistant Director Finance provided the quarterly risk management update, highlighting the effect of the pandemic on the Council's strategic risks.

RESOLVED That Committee,

Endorsed the Corporate Risk Register.

(Moved by Councillor J Faulkner and seconded by Councillor M Bailey)

67 INTERNAL AUDIT QUARTERLY UPDATE REPORT

The Head of Audit and Governance & Monitoring Officer provided the Committee with internal audit's progress report for the period to 30 September 2020 (Quarter 2).

RESOLVED That Committee;

Noted the attached report

(Moved by Councillor C Cooke and seconded by Councillor M Summers)

68 COUNTER FRAUD UPDATE

The Head of Audit and Governance & Monitoring Officer presented the counter fraud update and the proposed Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures for the Committee's endorsement.

- RESOLVED** That Committee;
- 1 Noted this update report, including the updated fraud action plan at **Appendix 1** and fraud risk register at **Appendix 2**
 - 2 Approved the new Prevention of the Facilitation of Tax Evasion Policy Statement and Procedures at **Appendix 3**

(Moved by Councillor M Summers and seconded by Councillor R Rogers)

69 ANNUAL GOVERNANCE STATEMENT & CODE OF CORPORATE GOVERNANCE

The Head of Audit and Governance & Monitoring Officer submitted the refreshed Annual Governance Statement and Code of Corporate Governance for Audit & Governance Committee's approval.

- RESOLVED** That Committee approved;
- a) The Annual Governance Statement (for inclusion in the annual statement of accounts) at **Appendix 1**; and
 - b) Code of Corporate Governance at **Appendix 2**

(Moved by Councillor J Faulkner and seconded by Councillor M Oates)

70 REVIEW OF THE CONSTITUTION AND SCHEME OF DELEGATION

The Head of Audit and Governance & Monitoring Officer presented the latest review of the constitution and scheme of delegation for the Audit & Governance Committee to comment on and endorse, in advance of its submission to Council in December 2020.

- RESOLVED** That Committee;
- Endorsed the proposed amendments to the Council's constitution (including the scheme of delegation) prior to its submission to Council.

(Moved by Councillor M Summers and seconded by Councillor C Cooke)

71 AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the timetable. No changes were recommended.

Chair