



Audit, Governance & Standards Committee

Thursday, 30th January,
2025

MINUTES

Present:

Councillor Gemma Monaco (Chair), Councillor Chris Holz (Vice-Chair) and Councillors William Boyd, James Fardoe, Andrew Fry, Joanna Kane, David Munro and Gary Slim

Officers:

Debra Goodall and Nicola Cummings

Democratic Services Officers:

M Sliwinski

53. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received from Councillor Begum.

54. DECLARATIONS OF INTEREST

There were no declarations of interest.

55. MINUTES

The minutes of the meeting of Audit, Governance and Standards Committee held on 10th December 2024 were submitted for Members' consideration.

RESOLVED that

the minutes of the Audit, Governance and Standards Committee meeting held on 10th December 2024 be approved as a true and correct record and signed by the Chair.

56. PUBLIC SPEAKING

There were no public speakers who registered to speak at this meeting.

Chair

57. MONITORING OFFICER'S REPORT - STANDARDS REGIME

The Deputy Monitoring Officer presented the Monitoring Officer's report and in doing so reported that there had been four Member complaints received since the last report to the Committee. Three complaints had been resolved via local resolution, and one did not pass assessment stage and was not considered further. In response to a question, it was clarified that the initial assessment stage for a complaint assessed if the Monitoring Officer had the power to investigate a complaint, through considering whether the complaint related to an action where the Member was acting in her/his capacity of councillor. The local resolution of a complaint referred to actions that could be done internally to resolve a complaint, without recourse to external parties. For example, local resolution could involve agreement to issue an apology, provision of training or other similar actions.

It was reported that at the last full Council meeting on 27th January 2025 new council laptops were presented to Members as part of equipment upgrade, with 68 per cent of councillors receiving new equipment. In terms of training, it was noted that ten Members responded to the initial member survey on the subject of training and there were eighteen responses to the follow-up survey. Following on from this it was agreed that some types of training should be made mandatory for Members within the next two years, including cyber security, audit, and safeguarding training.

It was reported that the cyber security training requested by Members was now arranged and the date for the training would soon be released to Members. The training would be provided by KnowBe4.

The Government consultation on the standards and conduct regime in English local authorities was live and due to close on 26th February 2025. The consultation sought views on introducing measures to strengthen the standards and conduct regime in England and ensure consistency of approach amongst councils investigating serious breaches of their member codes of conduct, including the introduction of the power of suspension. Members were encouraged to take part in this consultation.

RESOLVED that

the Monitoring Officer's report be noted.

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58. FECKENHAM PARISH COUNCIL REPRESENTATIVE'S REPORT - STANDARDS REGIME

The Feckenham Parish Council representatives were not present. It was reiterated that the Parish Council standards' regime update was a valued part of the meetings of Audit, Governance and Standards Committee. Members considered whether the updates could be bi-annual or quarterly rather than at every meeting, and whether written updates from Parish Council might be provided.

59. FINANCIAL COMPLIANCE REPORT INCLUDING STATEMENT OF ACCOUNTS

The position on the returns of legislative requirements and deliverables was provided. The Council had submitted the majority of the returns within timeframes. The two outstanding returns were the 2021/22 Revenue Outturn and Capital Outturn reports to the Government, as this was the last year that these returns had to be done based on actuals and estimates could not be used. Significant work was ongoing by the Council's Tax advisors PS Tax for the Council to return to normal VAT reporting.

The Committee was informed that the Council was in a stable financial position, with relatively strong level of reserves, with the Council now having better knowledge of its true financial position following the completion of draft accounts for years up to and including 2023-24.

The Committee was updated on the position in the delivery of the Council's Statement of Accounts. The Committee was reminded that for its 2020/21 and 2021/22 Accounts, the Council had received "disclaimer opinions" as accepted at the meeting of this Committee on 10th December 2024. For 2022/23 Accounts the Committee accepted the "disclaimer opinion" on 10th December, pending conclusion of public consultation. This "disclaimer opinion" had now been issued and was published on the Council's website.

The draft 2023-24 Accounts were presented to the Committee at Appendix A to the report. It was explained that the draft 2023-24 Accounts were provided for public consultation on the 17th January 2025 which was one day after the "backstop date" requirement. The Council had received this week a letter from the Secretary of State, requesting that the Council explain the reasons for missing the deadline. It was clarified that the Council had already been in

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contact with the Government to clarify the reasons why the submission was made the following day after the “backstop date” and to resolve the situation. The circumstances of this situation were also discussed with the Leader of the Council.

The Council was in discussion with the new External Auditor, Ernst and Young, on the actual programme, pending the onboarding process being completed. All parties were aware of the backstop date of the 28th February 2025, which was the statutory deadline for completion of public consultation on the 2023/24 Accounts. It was stated that as the onboarding checks were not completed yet, the External Auditor would not be able to submit an audit opinion before the 28th February “backstop date”. Regarding the onboarding checks, Members were updated that all but two onboarding forms had now been returned.

During the discussion, the Assistant Director Finance and Customer Services confirmed that the onboarding process with the new External Auditor could not begin until all onboarding forms had been completed and returned to the auditor, as Members and Officers submitted information on any conflicts of interest in these forms.

It was noted that the forms were issued in November but that on average across local authorities, such onboarding process with the auditors took six months to complete. Some Members queried whether anything could be done to speed up the process of completing the returns, and it was stated that officers had been on hand to assist Members with completing any outstanding forms at the full Council meeting on 27th January.

Regarding the 2024/25 Accounts, the plan for preparation of those accounts was in place. Once 2023/24 Accounts work had been concluded, the work on 2024/25 would commence and the Council would be back to normal timeline for submission of its statements of accounts.

Members debated whether it would be appropriate to revert to four Committee meetings per year, as per the wording in report recommendation three. During discussion, it was raised that the Council had just approved the appointment of a new Deputy Chief Executive Section 151 Officer on 27th January. Furthermore, the 2023-24 Accounts were now out for public consultation and this consultation had to be completed by the statutory backstop deadline of 28th February 2025. The onboarding process was also currently being conducted with the Council’s new External Auditor,

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Ernst and Young. Most Members were of the opinion it would not be appropriate to reduce the number of meetings until the onboarding process with the External Auditor had been completed and the new Deputy Chief Executive and Section 151 Officer had sufficient time in post to fully consider the Council's position.

The amendment to recommendation 3 of the report was proposed in that the Committee remain at six meetings per year at this time until the factors listed in the preamble above had been resolved and it was recommended that the matter be revisited at the first meeting of the Committee in the new municipal year. The amendment was proposed and seconded and on being put to the vote agreed.

The remaining resolutions were agreed as listed in the report.

RESOLVED that

- 1) The Committee note that the 2022/23 Accounts, following delegated approval, have been signed off.**
- 2) The Committee note the position in relation to the delivery of the 2023/24 Accounts.**
- 3) The delivery of receipt of "Disclaimer Opinions" from the External Auditor for the 2020/21 and 2021/22 Accounts, as approved at the Committee meeting on 10th December, the subsequent "Disclaimer Opinion" of the 2022-23 Accounts on the 22nd January and the provision of the 2023-24 Account for Public Consultation by the 17th January 2025 be noted.**
- 4) There remain six Audit, Governance and Standards Committee meetings per year until the matter is revisited at the first meeting of the Committee in the new municipal year.**
- 5) The ongoing process for inducting the Council's new External Auditor, Ernst and Young, be noted.**

60. CAPITAL STRATEGY 2025-26 INCLUDING TREASURY MANAGEMENT STRATEGY

The Assistant Director Finance and Customer Services introduced the report which set out the Capital, Treasury Management and Investment Strategies for approval for onward recommendation to

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Council. The Council was required to produce these strategies following changes in the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry for Housing, Communities and Local Government guidance. Further, the CIPFA Code of Practice for Treasury Management in Public services (the CIPFA TM Code) and the Prudential Code required local authorities to set the Treasury Management Strategy Statement (TMSS) and Prudential Indicators each financial year, and these were included within the strategies submitted before Members.

It was explained that the Capital Strategy provided an overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of the Council's services along with an overview of how associated risk was managed. The Treasury Management Strategy detailed how the Council managed its cash flows, borrowing and investments, and the associated risks. The Minimum Revenue Provision (MRP) statement showed, where the Authority finances capital expenditure by debt, the amount charged to the revenue budget for the repayment of debt. It was stated that the Council was free of debt commitments aside from the Housing Revenue Account. The Investment Strategy provided details of how the authority invested. It was reiterated that the Council did not invest for profit.

RECOMMENDED to Council that

- 1) The Capital Strategy (Appendix A) as an appropriate overarching strategy for the Council be approved.**
- 2) The Treasury Management Strategy for 2025/26 (Appendix B) and the associated MRP policy (Appendix C) be approved.**
- 3) The Investment Strategy (Appendix D) be approved.**

61. RISK CHAMPION UPDATE

The Council's Risk Champion, Councillor Kane, provided a risk update outlining that the English Devolution White Paper, which was published in December, and the Environment Act would have significant impacts on the Council over the next three years. It was highlighted that the Government proposal was for the creation of unitary authorities across the country, in county areas such as Worcestershire replacing a two-tier system currently in place.

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However, details of what the structure would be across Worcestershire were not known yet.

Councillor Kane reported that she attended a meeting of the West Midlands Combined Authority (WMCA) Overview and Scrutiny Committee on 20th January 2025 in her capacity as the Council's representative on that external body. Councillor Kane reported that at that meeting, the English Devolution White Paper was discussed and it was felt by WMCA Overview and Scrutiny Members that the White Paper would lead to strengthened accountability in local government – and therefore increased powers for Overview and Scrutiny. The Members of WMCA Overview and Scrutiny awaited more details on how the White Paper proposals would work in practice.

During discussion, Members asked that this update, together with any new information on devolution proposals for Worcestershire, be provided at the next meeting of the Committee. It was commented that there currently remained much uncertainty about the plans for both the county council and district councils across Worcestershire, and it would be useful for Members to revisit this topic when more information was available.

RESOLVED that

the Risk Champion update be noted.

62. COMMITTEE WORK PROGRAMME

It was agreed that the next scheduled meeting in April be brought forward to a date in March, with the date to be confirmed after confirming the availability of Members and relevant officers.

As agreed under agenda item – Financial Compliance Report including Statement of Accounts (Minute No. 59) – the Committee would continue to meet six times a year with the decision on reverting to quarterly meetings cycle being deferred until the first meeting of the Committee in the new municipal year.

RESOLVED that

the Committee's Work Programme be updated as per the preamble above.

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Committee**

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The Meeting commenced at 7.00 pm
and closed at 8.05 pm