



STROUD DISTRICT COUNCIL

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AUDIT AND STANDARDS COMMITTEE

27 September 2022

7.00 - 8.38 pm

Council Chamber

Minutes

Membership

Councillor Nigel Studdert-Kennedy (Chair)

Councillor Paula Baker

Councillor Nick Hurst

Councillor Norman Kay

Councillor Stephen Davies

*= Absent

Councillor Martin Percy (Vice-Chair)

Councillor Keith Pearson

Councillor Steve Robinson

Councillor Rich Wilsher

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Officers in Attendance

Strategic Director of Resources

Monitoring Officer

Head of Audit Risk Assurance

Principal Auditor

Principal Accountant

Senior Accountancy Officer

Head of Development Management

Development Team Manager

Deloitte

Democratic Services & Elections Officer

ASC.016 Apologies

An apology for absence was received from Councillor Davies.

ASC.017 Declaration of Interests

There were none.

ASC.018 Minutes

RESOLVED That the Minutes of the meeting held on 19 July were approved as a correct record.

ASC.019 Public Question Time

There were none.

ASC.020 Internal Audit Progress Report 2022/23

The Head of Audit Risk Assurance (ARA) introduced the report and explained that it was the first Internal Audit Progress Report which included the changes previously mentioned at committee. These changes included:

- More concise summaries which showed the scope of the work completed, the salient findings and the number of recommendations.
- A refreshed way in which the progress against planned work was reported.
- Additional Red, Amber and Green (RAG) ratings.
- An additional Comments column to provide further information.

He further informed the committee that there were six activities included within the report. Four of these were assurance activities which were all given an acceptable level of assurance. The remaining 2 pieces of work were grant certifications. The Head of ARA concluded with an update that there had been no new irregularities reported to the ARA Counter Fraud Team for 2022/23.

In response to Councillor Hurst the Head of ARA explained that the monthly control checks mentioned in point iv on page 21 of the reports pack were to inspect the paperwork surrounding electrical inspections, not the inspections themselves.

Councillor Baker questioned page 20 of the reports pack where it noted that 142 properties had received an unsatisfactory electrical inspection result. She queried why 41 of those properties remained unsatisfactory. The Chair, Councillor Studdert-Kennedy, explained that there was no mandatory access for an electrical inspection to take place which meant that the tenant could refuse access. He further informed Committee that it had been requested for access to be mandatory in future tenancy agreements to prevent inspectors being refused.

Councillor Baker further queried if the reasoning would be the same for the 106 properties that were overdue for their electrical inspection. It was agreed for the ARA team to come back with further details of any barriers preventing those inspections from taking place.

It was also agreed to look into whether there was a link between the rise of Anti-Social Behaviour (ASB) and the reduction of the evening presence of Neighbourhood Wardens (NHW).

The Head of ARA gave the following answers in response to questions asked:

- The electrical report was a follow up from the original audit report due to the limited assurance result, all but two of the original recommendations had been implemented. The follow up report implemented a further 2 recommendations which would enhance the work completed on the original recommendations.
- Page 23 of the reports pack outlined the 31 May 2023 as the target completion date for the sub delegations. This was to allow a corporate Council wide review of the sub delegations process and provide enough time for the new Monitoring Officer to review it.
- Page 27 of the reports pack showed a number of delayed reviews which were due to a number of different factors. The intention was to complete as much of the plan as possible by the end of the year. It was confirmed that a few of those activities were already in progress and it was agreed to add additional comments where an item has been delayed to explain the reasons.

Councillor Hurst proposed and Councillor Percy seconded.

After being put to a vote, the Motion was carried unanimously.

It was later noted at Item 9 that the Head of Development Management and the Development Team Manager were present during the discussion of this item as requested by Members in case of any departmental questions.

RESOLVED To:

- a) Accept the progress against the Internal Audit Plan 2022-23; and**
- b) Accept the assurance opinions provided in relation to the effectiveness of the Council's control environment (comprising risk management, control and governance arrangements).**

ASC.021 Treasury Management Quarter 1 Report

The Senior Accountancy Officer introduced the report and highlighted the following points:

- Page 30 showed a summary of investments of which the rate of return had increased to 0.788% since last quarter.
- Page 31 showed a summary of the property and multi-asset funds. The Senior Accountancy Officer explained that the property funds had gained since last quarter whereas the multi-asset funds had decreased.
- Page 35 showed a summary of the prudential indicators.

Councillor Wilsher received the following answers in response to questions asked:

- The Link Asset Services (LAS) were the Council's Treasury Consultants, and the blue fund was the government protected fund.
- Previously, committing funds for over 1 year would enhance the return rate which was why the allowance allowed for 2 years.
- The Capital Programme borrowing could be external or internal. Previously they had borrowed internally and would be likely to do the same over the next few years.
- The Treasury Management Strategy Statement (TMSS) was reviewed annually.

Councillor Pearson proposed and Councillor Robinson seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To accept the treasury management activity first quarter report for 2022/2023.

ASC.022 Statement of Accounts 2021-2022

The Principal Accountant introduced the report and explained that these were the unaudited accounts signed off by the S151 Officer on the 28 July, which was inside the statutory timetable.

Questions were asked by Councillors and the following responses were given by Officers:

- The underspend of £1.761m from the General Fund Revenue Account, on page 44 of the document pack, was excluding transfers which specifically funded certain projects. These were detailed in the outturn report at Full Council on Thursday 29 September 2022.
- The Budget Monitoring Q1 report scheduled to be considered by Housing Committee in October would show a reduction in the loss of income to voids and the progress achieved.

Councillor Kay proposed and Councillor Baker seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To:

- a) **Approve the report**
- b) **Consider any recommendations regarding the accounts for the year ending 31 March 2022.**

ASC.023 Annual Audit Letter

The Senior Manager, Deloitte, introduced the report and drew the Committee's attention to the following key point. Page 145 of the reports pack showed the significant audit risks. The valuation of the car parks risk had been refined and refocused and further details could be found on page 157.

In response to Councillor Pearson the Senior Manager clarified that, on page 157 where it identified the revalued car park assets at £3.3m, the figure next to that in brackets was the previous valuation made in 2020/21. The Senior Manager further explained that the difference in valuation was due to a change in the way in which the car park valuation was calculated.

In response to the Chair, the Senior Manager estimated that the accounts would be signed off at the end of November, within the statutory deadline.

The Strategic Director of Resources and the Chair thanked the Senior Manager and wished him well in his new role. The Senior Manager returned the accolades for the Stroud District Council Officers.

Councillor Hurst commended the way the reports were set out.

Councillor Baker proposed and Councillor Hurst seconded.

After Being put to a vote, the Motion was carried.

RESOLVED To note the annual audit letter on 2021/2022 external audit.

ASC.024 Corporate Risk Register Update

The Strategic Director of Resources introduced the report and explained that the Corporate Risk Register (CRR) was updated every quarter however, as they were still in the previous quarter only a few of the risks had been updated such as the risk of inflation. He further informed the committee of the following points:

- Work had been ongoing regarding the recommendations from the risk management review such as; assigning champions in each directorate and staff completing a competency survey.
- The procurement of the new corporate performance and risk management system was in the final stages of appointment and applicants had been winnowed down to the final two.

Councillor Pearson requested that the changes to the risk register be made more prominent in the body of the report. The Strategic Director of Resources agreed.

In response to questions, the Strategic Director of Resources confirmed that:

- Some risks were reviewed more frequently due to their severity however, the risk register as a whole was updated quarterly.
- Risk CCR4 on page 180 of the reports pack was identified as a 9/9 for risk factor. It was agreed to go back to the risk owner to review the risk appetite and see if there were any further mitigations which could be put in place to lower the risk factor.
- A hybrid working policy had been adopted by the Council and after the recommendations from the peer review the Council were working to provide further guidance on expectations of hybrid working and how it would be effectively performance monitored.
- The Rent Cap was not currently its own risk on the CRR as it was encompassed as part of the general balanced budget CCR1 risk.
- With regard to improvements to Stroud District Council's' housing stock, there were still many pressures to manage although these were different to the pressures faced at the beginning of the Covid-19 period.
- It was agreed to get the details of the vacancies for qualified staff across the Housing department.

Councillor Pearson proposed and Councillor Wilsher seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To accept and note:

- a. The actions taken to update the Corporate Risk Register**
- b. The Current Corporate Risk Register at Appendix A.**

ASC.025 Local Government and Social Care Ombudsman - Annual Review 2021/22

The Monitoring Officer introduced the report and explained that it was a routine annual report. He then drew the committee's attention to the following points:

- Of the 14 complaints received, over 50% were closed after initial enquiries.
- The numbers were relatively small which would lead to larger percentages when 1 complaint was upheld.
- All of the complaints received had been dealt with.

Councillor Pearson questioned why there were no satisfactory remedy decisions made by the Council. The Monitoring Officer explained that where complaints had seen a satisfactory remedy, they would not have made it to the Ombudsman and therefore would not be included with the figures.

In response to Councillor Kay it was agreed take away comments on the training need surrounding the Councils' Value and Behaviours and the Service Standards.

Councillor Hurst questioned whether there were any particular areas for concern. The Monitoring Officer explained that these areas of complaints were normal among District Council's and the regulatory Services usually experienced the most complaints.

It was agreed to get back to Councillor Baker regarding the figures of complaints from solicitors as opposed to through the Ombudsman.

Councillor Kay proposed and Councillor Hurst seconded.

Councillors debated the need for the second part (b) of the motion and agreed it was the best way to phrase it.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To:

- a) **Note the Annual Review, and**
- b) **Authorise the Strategic Directors and Heads of Service to take appropriate action to ensure that whenever possible complaints are resolved before such matters are referred to the LGO and that requests for information from the LGO continue to be dealt with promptly.**

ASC.026 To consider the Work Programme for 22 / 23

Councillor Percy queried whether the review of the annual governance statement and treasury management strategy would be scheduled for the February 2023 meeting. The Strategic Director of Resources confirmed that the update on governance issues shown on the work programme was relating to the annual governance statement however, the treasury management strategy needed to be added to the work programme.

The Principal Accountant requested that the Quarter 3 Treasury Management report be added to the February 2023 meeting.

The Chair requested that the Corporate Risk Register be added to all future meetings.

ASC.027 Member Questions

There were none.

The meeting closed at 8.38 pm

Chair