

## Minutes of Accounts and Audit

Meeting Date: Wednesday, 28 September 2022, starting at 6.30 pm  
Present: Councillor D Berryman (Chair)

Councillors:

S Bibby	R Newmark
J Clark	D Peat
K Fletcher	R Sherras
S Fletcher	R Walsh
J Hill	

In attendance: Chief Executive, Director of Resources, Head of Financial Services, Head of Legal and Democratic Services, Internal Audit Manager and Georgia Jones.

Also in attendance: Councillors G Mirfin and M Hindle.

### 343 APOLOGIES FOR ABSENCE

Apologies for absence were received for the meeting from Councillor J Rogerson.

### 344 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 29 June 2022 were approved as a correct record and signed by the Chairman.

### 345 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON REGISTRABLE INTERESTS

There were no declarations of disclosable pecuniary, other registrable or non-registrable interests.

### 346 PUBLIC PARTICIPATION

There was no public participation.

### 347 LOCAL CODE OF CORPORATE GOVERNANCE

The Director of Resources submitted a report for Committee to consider the revised Local Code of Corporate Governance.

The Code is reviewed and approved annually by this committee and is the Council's forward-looking statement of how the governance culture of the organisation will be driven. Within the framework there are seven core principles that look to steer the application of good governance in everything that members and staff undertake by highlighting how their work on behalf of the council will be approached.

There were no further changes to the Local Code of Governance that was currently in place. With regard to embedding good governance within the organisation, endeavours would be made to raise awareness levels with staff and members

covering the seven principles and the manner in which work should be approached as detailed in the Code.

RESOLVED THAT COMMITTEE:

Approve the reviewed Local Code of Corporate Governance as attached to the report.

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#### CIPFA POSITION STATEMENT

The Director of Resources submitted a report which presented a summary of *the Chartered Institute of Public Finance & Accountancy (CIPFA) Position Statement: Audit Committees in Local Authorities and Police 2022* for Committee to review and determine whether the proposed actions would enhance the effectiveness of the committee.

The statement replaced the 2018 Position Statement and represented CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt in order to meet their statutory responsibilities for governance and internal control arrangement, financial management, financial reporting and internal audit.

The key messages and issues of the 2022 Position Statement were detailed in the report and covered the purpose, model, core functions, and membership of an audit committee.

The report included the results of an assessment of the arrangements in place for Accounts & Audit Committee against the principles and practices set out in the new Statement. An Action Plan had been produced and Committee were asked to consider and agree any actions that could be taken to enhance effectiveness.

There was discussion at the meeting around the role of the independent members proposed under action 2 in the report. Officers confirmed that independent members are separate to the current independent persons, and that independent members would be recruited based on their knowledge and expertise in order to provide an oversight and advisory role to the Committee. It was noted that this is considered CIPFA best practice and is not yet a legal requirement. Committee felt further information was required in order to consider this fully.

RESOLVED THAT COMMITTEE:

Agree the recommended actions noted in the report with the exception of action 2, for which Committee requested a report detailing further information for consideration at the next meeting.

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#### CONSULTATION ON THE 2022/23 AUDIT FEE SCALE FOR OPTED-IN BODIES

The Director of Resources submitted a report asking members to consider the proposed response to the Public Sector Audit Appointments (PSAA) consultation on the fee scale for 2022/23.

The report informed Committee that the duty to specify scales of fees is one of the PSAA's statutory functions and, before setting the scale of fees, they are required to consult with opted-in authorities, relevant representative associations of local authorities, and relevant bodies of accountants. The closing date for the consultation

on the fee scale for 2022/23 was 30 September 2022. This would bring in some of the fee variations that are currently paid on top of the Scale Fee.

Under the proposals, the net Scale Fee for this Council (after PSAA fund the inflation factor from surpluses that councils would have otherwise received) was £36,769 (£33,956 2021/22). The report noted that this would not be the total of our audit fee, as other fee variations would be charged which were not proposed to be brought under the Scale Fee at that stage. In 2021/22 these amounted to a further £16,500 (subject to change following completion of 2021/22 audit) and HBAP grant work was also a further additional fee (£22,492 2021/22 and £23,617 proposed).

RESOLVED THAT COMMITTEE:

Agree to the proposals made by the PSAA in respect of the Scale Fees for 2022/23.

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#### DRAFT RISK MANAGEMENT POLICY

The Director of Resources submitted a report requesting Committee approve the updated and revised Risk Management Policy.

A comprehensive review of the Policy had been undertaken and the revised policy was attached to the report for members to consider.

The risk management processes outlined in the Policy would be a means of ensuring the Council delivered the best possible service, in the right place, and achieved excellent results, whilst making the best possible use of public funds. The Council would ensure that decisions made on behalf of the organisation were taken with consideration to the effective management of risk.

The Policy identified individuals with responsibilities in the management of risk, and the key risk managements structures and processes, defining the objective of and responsibility for each of these within the Council.

Councillors G Mirfin and M Hindle were given permission to speak on this item.

There was discussion at the meeting around the implementation of the Policy, and how risks could be made more visible to Councillors. Officers responded to queries from members and expanded on the plan for managing risk going forward.

RESOLVED THAT COMMITTEE:

Approve the Risk Management Policy with the addition of a glossary and to include the role of Internal Audit within Section 3 of the Policy.

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#### GOVERNMENT RESPONSE TO THE CSPL REVIEW OF LOCAL GOVERNMENT ETHICAL STANDARDS

The Chief Executive submitted a report informing Committee of the Government's response to the recommendations of the Committee on Standards in Public Life.

The report reminded Committee that in January 2019, the Committee for Standards in Public Life published the report "Local Government Ethical Standards", which had made a number of recommendations. A number of these had been acted upon by the Local Government Association (LGA), however, a large number of the recommendations required action from Government and amendment to legislation.

The report included the Government's full response to the recommendations and highlighted the main issues noting their relevance to the Council.

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## OMBUDSMAN REPORT

The Chief Executive submitted a report informing Committee of the Ombudsman's report and the steps proposed by the Council in response.

The report included a Local Government Ombudsman report dated 14 July 2022, which had been embargoed until 18 August 2022 in relation to a complaint which was upheld. The LGO report found fault in that the Council had not provided evidence that it had carried out all the recommendations it had agreed with the Ombudsman in April 2021. As a result, the LGO had made a recommendation that within 3 months the Council provide evidence that:

1. It had implemented its new policy on Reasonable Adjustments for disabled people;
2. It now keeps adequate records relating to decision on reasonable adjustments for disabled service users; and
3. Its officers are aware of the Council's new policy and its obligations under equalities legislation.

Since the LGO report had been issued the Council had provided further evidence and the LGO had confirmed that recommendations 1 and 2 were complete. With regards to recommendation 3, the Council had provided the LGO with details of refresher training on the Equalities Act 2010 which would be provided to CMT and all Heads of Service therefore compliance would be confirmed once the training had taken place.

Further to the recommendations, a number of actions, including an equalities working group, had also been proposed in order to ensure that the Council's equality duties were embraced at all the levels of the organisation. It was reported at the meeting that the actions were approved by the Policy & Finance Committee on 27 September 2022.

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## AUDIT PROGRESS REPORT (REPORT OF GRANT THORNTON)

Grant Thornton submitted for information the Audit Progress Report on Ribble Valley Borough Council covering the period up to 31 March 2022.

The report provided Committee with progress as of September 2022 against the Annual Audit Report brought to Committee on 6 April 2022, and also included the findings of interim audit work. Audit Findings on the Council's Statement of Accounts were expected by November 2022, and the Auditor's Annual Report in January 2023.

The report also included sector updates in relation to a number of emerging issues and developments including:

- The Department for Levelling Up, Housing and Communities (DLUHC) response to local audit consultation.
- Publication of the Levelling Up White Paper by The Department for Levelling Up, Housing and Communities (DLUHC), and the reaction by Grant Thornton.

- CIPFA's publication of the Prudential Code for Capital Finance in Local Authorities, and the Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (the Treasury Management Code).
- CIPFA's report on the value of internal audit, and
- Recent publications by the National Audit Office (NAO) including a guide on good practice in annual reporting, an audit and risk assurance committee effectiveness tool, and a guide for audit and risk committees on financial reporting and management during COVID-19.

#### 354 COUNTER FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT AND STRATEGY

The Director of Resources submitted a report informing Committee of the recently fully reviewed and revised Counter Fraud, Bribery and Corruption Policy Statement and Strategy.

The new Policy was approved by Policy and Finance Committee on 27 September 2022 and would replace the existing Anti-Fraud and Corruption Policy. Members were reminded that included within one of the Core Functions of Accounts and Audit Committee was 'managing the authority's exposure to the risks of fraud and corruption', therefore, members were asked to familiarise themselves with the contents of the new Policy in order to help the Committee properly undertake its responsibilities.

#### 355 INTERNAL AUDIT PROGRESS REPORT

The Director of Resources submitted a report for information on progress against the 2022/23 Internal Audit Plan covering the period June 2022 to August 2022.

The report included the areas that had been a key focus, and the areas for which reviews were in progress, along with:

- An overview setting out the planned delivery for the Internal Audit Plan.
- A summary of internal audit recommendations that had been raised – 80 recommendations were due for implementation, of these, 67 were considered implemented, partially implemented, or superseded. Of the 13 still outstanding, 10 were originally considered high risk.
- The results of key performance indicators, and
- Progress against the PSIAS Quality Assurance Improvement Plan.

The Internal Audit Team had also successfully recruited to the post of Internal Auditor and the postholder was due to commence in October 2022.

#### 356 DISPOSAL OF ASSETS

The Director of Resources submitted a report informing Committee of the process followed for the disposal of assets and how such receipts are used.

The report detailed the Council's responsibilities under its Financial Regulations which form part of the Council's Constitution. The Regulations supported and protected Members and staff in the performance of their duties where financial issues were involved and provided guidance to ensure that assets were disposed of in accordance with the Regulations.

The recommended method of disposal depended on the estimated value of the asset and in the case of vehicles their current roadworthiness.

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#### STATEMENT OF ACCOUNTS 2021/22 PROGRESS

The Director of Resources submitted a report providing Committee with an update on progress of the production, publication, and external audit of the Statement of Accounts for 2021/22.

The deadline for the publication of the draft accounts had been met and the Statement of Accounts (subject to audit) were made available on the website on 29 July 2022. The proposed changes to the audit deadline by the Department for Levelling Up, Housing and Communities (DLUHC) had been brought in through the Accounts and Audit (Amendment) Regulations 2022, and the deadline had changed from the end of September to the end of November. The Council's external auditors, Grant Thornton, were working to the new deadline and it was anticipated that the audited Statement of Accounts would be brought to Committee for approval on 23 November 2022.

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#### REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

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#### EXCLUSION OF PRESS AND PUBLIC

There were no items under this heading.

The meeting closed at 7.45 pm

If you have any queries on these minutes please contact the committee clerk, Rebecca Tait 01200 413214 [rebecca.tait@ribblevalley.gov.uk](mailto:rebecca.tait@ribblevalley.gov.uk).