

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

AUDIT & ACCOUNTS COMMITTEE MEETING

Minutes

FRIDAY, 17 FEBRUARY 2023

PRESENT: Councillor J Davies (Chair)

Councillors N Hawkins, K Jackson, N Yates and Mr H Mawdsley

APOLOGIES: Councillors E Fallows, P Jackson, B Johnson, K Mills and P Routledge

84 **DECLARATIONS OF INTEREST**

There were no declarations made.

85 **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting of the Audit & Accounts Committee held on 17 June 2022 be approved as a correct record and signed by the Chair.

86 **AUDIT FINDINGS REPORT**

The Committee was provided with an overview of the Audit Findings Report. This included reference to a valuation error and unadjusted issues that were not material included in the letter or representation. Value for money work was being concluded. The report would be issued shortly and there were no concerns to date. The Committee considered risks including management override, pensions, valuation of plant and equipment and the renewal of lease agreements. Consideration was also given to previous loan to Ascent Housing and the arrangements for a new loan to Your Housing.

RESOLVED:

That the report be approved.

87 **ANNUAL GOVERNANCE STATEMENT**

The Accounts and Audit Regulations 2015 required the Council to conduct a review each financial year of the effectiveness of its system of internal control and approve an Annual Governance Statement (AGS).

The Committee considered the significant governance issues that remained at the end of 2021/22 together with the action that was being taken to address these issues. These were achievement of Corporate Objectives due to Covid-19 pandemic and the change in the operational model for the Council's capital projects and facilities management services. The use of benchmarking was raised which would

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be achieved by using information available from the Local Government Association and CFO Insights.

RESOLVED:

That the Annual Governance Statement 2021/22 be approved.

88 SMDC STATEMENT OF ACCOUNTS

The Committee scrutinised of the Statement of Accounts 2021/22, in compliance with the legislative provisions relating to financial reporting and the Council's commitment to transparency and accountability in the stewardship of public funds.

Approval of the Statement of Accounts was sought which had been prepared in accordance with the Code of Practice and were a true view of the Authorities position, subject to two minor amendments. It was reported that the sign off process had been delayed which was an issue not unique to the Council or its external auditors. It was one of the first council accounts to be signed off following significant effort by the Finance team and external auditors. The Committee discussed the calculation of the New Homes Bonus which was previously issued for six years but was now an award item which was under review.

RESOLVED:

That the Statement of Accounts 2021/22 be approved.

89 REGULATION OF INVESTIGATORY POWERS ACT POLICY & PROCEDURES

The Council must have arrangements in place to ensure compliance with the Regulation of Investigatory Powers Act 2000 (RIPA) and those arrangements are subject to inspection by the Investigatory Powers Commissioner's Office (IPCO). This was achieved through the adoption of a set of Policy and Procedures that ensure compliance with the requirements of the legislation. The Council has had arrangements and procedures in place for authorising and conducting necessary surveillance since 2002. It was reported that councillors should review the use of RIPA and set the policy at least once per year. They should also consider internal reports on use of RIPA periodically to ensure it is being used consistently with the policy and that the policy remains fit for purpose.

It was reported that the Council was inspected every three years. The last inspection in October received a good outcome and one minor amendment had been made to the policy. It was confirmed that such powers were not required for overt surveillance.

RESOLVED:

1. That the committee note the Council's use of RIPA powers and the outcome of the October 2022 Investigatory Powers Commissioner's Office Inspection be noted.
2. That the updated Regulation of Investigatory Powers Act 2000 Policy and Procedures attached at Appendix 1 to the report approved and adopted.

90 **TREASURY MANAGEMENT STRATEGY**

The purpose of the report was to allow members of the Committee to consider and endorse the Council's Treasury Management Strategy for 2023/24, ensuring that its capital and treasury activities for the next four years were affordable and properly managed. The Committee considered the impact of the nett financing need, minimum revenue provision, external borrowing and use of reserves. It was suggested that a glossary would be useful.

RESOLVED:

That the Annual Treasury Management Strategy Statement (TMSS) 2023/24 be recommended to Council for approval.

91 **INTERNAL AUDIT PROGRESS REPORT**

The Accounts and Audit Regulations 2015 required the Council to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance". In accordance with the Public Sector Internal Audit Standards, the Audit Manager must report periodically to the Audit Committee on the internal audit activity's performance relative to its plan. Details were provided in Appendix 1 to the report.

All recommendations had been agreed and the majority of the Audit Plan had been completed following adjustment (7 audits removed) due to staff turnover. The decision was based on risk and the audits would be rolled into next year. Discussion took place with regards to the governance of Alliance Norse and the location/quality of the Building Control Partnership.

RESOLVED:

That the progress information contained within the report be noted.

92 **TREASURY MANAGEMENT UPDATE**

The purpose of the report was to allow the robust scrutiny of the Council's Treasury Management performance in 2022/23 in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

It was reported that there was a healthy surplus on investments due to increased interest rates. In response to queries relating to other councils that were in major financial difficulties it was reported that these related to long term investments. The District Council took a very prudent approach and its policy ensured that risks were minimised.

RESOLVED:

That the Treasury Management position as at 31st December 2022 be noted.

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93 **WORK PROGRAMME**

RESOLVED:

That the Work Programme be approved.

The meeting closed at 11.17 am

_____ Chairman _____ Date