

## **AUDIT AND STANDARDS COMMITTEE**

Monday, 5th February, 2024  
Time of Commencement: 7.30 pm

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<b>Present:</b>	Councillor Paul Waring (Chair)	
Councillors:	Holland Whieldon	Stubbs Brockie
Apologies:	Councillor(s) Burnett-Faulkner and Lewis	
Substitutes:	Councillor Andrew Parker Councillor Philip Reece	
Officers:	Sarah Wilkes Clare Potts Anthony Harold	Service Director - Finance / S151 Officer Chief Internal Auditor Service Director - Legal & Governance / Monitoring Officer
Also in attendance:	Councillor Stephen Sweeney	Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth

1. **APOLOGIES**

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES OF PREVIOUS MEETING**

**Resolved:** That the minutes of the meeting held on 13<sup>th</sup> November, 2023 be agreed as a true and accurate record.

4. **CORPORATE RISK MANAGEMENT REPORT**

The Service Director for Legal and Governance – Monitoring Officer presented the Corporate Risk Management report.

Members asked questions and responses were provided as follows:

- Cllr Reece asked if the lack of capacity referred to in paragraph 2.2.1 was related to staff sickness. – The Monitoring Officer would liaise with the author of the report and get back to members.
- Cllr Stubbs asked what steps were being taken to mitigate the risk referred to in paragraph 2.2.2 – The author of the report would be consulted and the

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Monitoring Officer would get back to members. Cllr Holland commented that the Council had participated in a joint air quality group with the City Council and was doing what they could to mitigate the risk. It was to be noted that the issues mentioned in the report were complex, some of them involving international legal actions long with liaising with other authorities. The portfolio holder for Finance, Town Centres and Growth confirmed that the meetings were still taking place.

- Cllr Stubbs asked about 2.4.3 and how come that a civil servant had made the decision that the Council would be liable for something that they don't own. – The Chair commented that the Coal Authority needed remedial works to be carried out in March 2023 for the previous mining works to be dealt with under the railway station car parking around the station building. Funding were secured and the question of who would be liable amidst the various partners involved came as the answer wasn't obvious. The DFT was to find a solution and progress had been made over the Christmas season.

An update on the legal position of the Council would be provided to members by the Monitoring Officer outside of the public forum and upon request. Negotiations were ongoing and legal coverage was investigated in the event the Council would indeed be liable.

- Cllr Stubbs asked if a representative of the Council would be attending a scheduled meeting between partners. – Officers taking part in the project management had been involved in all meetings.
- Cllr Stubbs asked why Kidsgrove Town Council would be underwriting the Shared Service Hub. – It had been agreed that the Town Council would bear the responsibility of running the Shared Service Hub, which was separate from that of its construction.
- Cllr Stubbs asked if the report on the Coal Mining Risks due on 29<sup>th</sup> December 2023 had been received. – This was about drilling to assess whether there was anything that needed remediated before any construction took place. The Chair would investigate.

- Resolved:**
1. That there are currently no risks that are more than 6 months overdue for a review up to end of Q3 2023/24, be noted.
  2. That there have been 2 risk level increases, be noted.
  3. That there are no changes to the Corporate Risk Register, be noted.
  4. That the Kidsgrove Town Deal Risk Register and current position be noted.
  5. That officers be advised of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting.
  6. That whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change, be noted.

[Watch the debate here](#)

5. **INTERNAL AUDIT UPDATE QUARTER 3 2023/24**

The Chief Internal Auditor presented the Internal Audit Update for Quarter 2.

There were no questions from members.

**Resolved:** That the report be considered.

[Watch the debate here](#)

6. **FUTURE DELIVERY OF THE INTERNAL AUDIT SERVICE**

The Service Director for Finance (S151 Officer) presented the report on the delivery of the internal audit service going forward as the current contract was reaching the end of its term.

Cllr Stubbs asked if there was an opportunity for members to review the procurement exercise. – The scoring was split 50% for the quality of service and 50% for the price. This could be discussed further in private.

**Resolved:**

1. That the requirement of an Internal Audit Service be noted.
2. That the outcome of the procurement exercise to tender for an Internal Audit Service and Counter Fraud function provider be noted.

[Watch the debate here](#)

7. **VALUE FOR MONEY AUDIT REPORT**

The Chair introduced the item by informing members that preliminary work had been done with the new auditor from KPMG, based in Manchester and with long experience in the public sector.

The Service Director for Finance (S151 Officer) presented the Value for Money Audit report prepared by Grant Thornton.

Members asked questions and responses were provided as follows:

- Cllr Stubbs expressed his perplexity on a statement suggesting that the Scrutiny Committee may have more sight of risks than Cabinet members. – The Portfolio Holder and Deputy Leader responded that weekly meetings were taking place with the Deputy Chief Executive to ensure Cabinet members were kept up to date.
- Cllr Stubbs referred to the Savings Plans that were to be included in the MTFs in 2023 (page 49), if this had been done and would be going forward. – The savings had been included as part of the performance monitoring and was now a regular element in this quarterly report.
- Cllr Stubbs asked if there had been any progress in the recruitment of two independent members to join the Committee as recommended. – The recruitment process had started for these voluntary positions. Unfortunately there hadn't been much interest yet.

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- Cllr Stubbs asked if the value of lands and buildings had been overestimated as highlighted on the opinion on the financial statements and if so why the figure had not been corrected. – The figure wasn't wrong and had been obtained legitimately. The auditors were presenting a judgement based on local factors which did not invalidate the work undertaken in-house to do the valuation.

**Resolved:** That the report be noted.

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**8. WORK PROGRAMME**

**Resolved:** That the work programme be noted.

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**9. URGENT BUSINESS**

There was no urgent business.

**Councillor Paul Waring  
Chair**

Meeting concluded at 8.19 pm