

Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield on Wednesday, 3 February 2021.

PRESENT

Cllr. P, Butlin
Dr. R. K. A. Feltham CC

Mrs. S. Rawlins CC
Mr. D. Seaton CC
Cllr. M. Howell CC

Apologies

Cllr. S. Clancy (Norfolk County Council)

In attendance

ESPO

Mr. K. Smith - Director
Mr. D. Godsell – Assistant Director
Mr. M. Selwyn-Smith – Assistant Director
Mr. M. Campbell – Assistant Director
Mr. P. Davis

Leicestershire County Council

Mr. D. Keegan – On behalf of Consortium Secretary
Mr. N. Jones – Head of Internal Audit
Mr. M. Davis – Audit Manager
Mr. M. Seedat – Head of Democratic Services
Ms. C. Tuohy – Democratic Services Officer

90. Appointment of Chairman.

Cllr. P. Butlin was appointed Chairman for the municipal year ending May 2021.

Cllr. P. Butlin in the Chair

91. Minutes of the meeting held on 20 May 2020.

The minutes of the meeting held on 20 May 2020 were taken as read, confirmed and signed.

92. Declarations of interest in respect of items on the agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

93. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

94. Internal Audit Service - Progress Against the 2020-21 Internal Audit Plan.

The Subcommittee received a report of the Consortium Treasurer outlining the progress made against the Internal Audit Plan for 2020-20. A copy of the report, marked 'Agenda Item 5', is filed with these minutes.

The Subcommittee was advised that there were no high importance recommendations to date. Due to COVID-19 two pieces of work would be completed during 2021/22, there were also five pieces of work in progress that would be completed in the final quarter to allow for consideration of sufficient sample sizes.

In response to queries regarding Cyber Security, Members were assured that ESPO's procedures were regularly monitored and considered secure. One error had been investigated regarding a customer's handling of an invoice, awareness had been raised and was being mitigated.

Though ESPO's own IT Team, Leicestershire County Council's IT Service and national accredited cyber security institutes ESPO kept aware of any cyber security risks. As with any other organisation the greatest risk was staff and to mitigate this risk ESPO ensured it kept staff aware through IT communications were regularly reminded of user protocols and of latest threats and risks

As a result of COVID-19 site visits had been deferred. Such visits remained beneficial due to the valuable data gained from engaging with companies and verifying their own financial figures. There was a further tangible benefits to writing to companies regarding potential visits, as well as sharing lessons learnt.

RESOLVED:

That the report and information now provided be noted.

95. Annual Internal Audit Plan 2021-2022.

The Subcommittee received a report of the Consortium Treasurer on the Annual Internal Audit Plan 2021-22. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Subcommittee was informed that the ESPO Senior Management Team met regularly with the Consortium Treasurer and the Head of Internal Audit at Leicestershire County Council to review the findings of audits Any high assurance recommendations found would be shared with Members.

Arising from the discussion the following points were noted:

- i. the cost and benefit of previous business cases would be considered to determine whether goals set out within the respective business case had been realised.

- ii. The Internal Audit service did not have the resources to be able to audit all areas of ESPO. Instead the Plan took a pragmatic approach focussing on the high risks to ESPO and its owners. As standard the annual plan looked at key financial and the IT systems that underpinned ESPO's business routine.
- iii. In relation to the impact that the United Kingdom's exit from the European Union, Internal Audit would reflect on the situation in six months' time to consider ESPO's position and mitigating actions taken. If there were immediate concerns an earlier audit would be undertaken.

RESOLVED:

That the Annual Internal Audit Plan 2021-22 be recommended for approval at the Management Committee on 14 March 2021.

96. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Committee would be held on 26 May at 10.30am.

97. Exclusion of the Press and Public.

That under Section 100A of the Local Government Act 1972, the public be excluded for the remaining item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

98. Forecast Outturn 2020/21 and Draft MTFs 2021/22-2024/25.

The Subcommittee received an exempt report of the Director and Consortium Treasurer outlining the forecast outturn 2020/21 and the draft MTFs 2021/22 – 2024/25. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

The report was not for publication as it contained information relating to the financial or business affairs of a particular person (including the authority holding that information)

RESOLVED:

That the following be supported for approval by the Management Committee on 17 March 2021.

- a) Agreement of the MTFs which incorporates the recommended revenue budget for 2021/22 totalling a surplus of 5.0million.
- b) Approval of the projected provisional revenue budgets as set out in paragraph 18.
- c) That the level of reserves as set out in paragraph 44 be noted and that the use of those earmarked fund be agreed.
- d) That approval be given to the 2021/22 capital programme as set out in paragraph 40.

99. Any other items which the Chairman has decided to take as urgent.

The Committee considered this matter, the Chairman having decided that it was of an urgent nature...

Times Not Specified
03 February 2021

CHAIRMAN