



Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield, Leicestershire on Wednesday, 30 October 2024.

PRESENT

Mrs. M. Wright CC – Leicestershire County Council
Cllr. S. Rawlins – Lincolnshire County Council
Cllr. P. Butlin – Warwickshire County Council

Members attending online

Cllr. M. Jamil – Peterborough City Council
Cllr. J. James – Norfolk County Council

Apologies

Cllr. N. Shailer – Cambridgeshire County Council

In attendance

ESPO

Kristian Smith - Director

Leicestershire County Council

Lauren Haslam - Consortium Secretary
Simon Hines – Consortium Treasurer
Neil Jones – Head of Internal Audit
Matt Davis – Audit Manager
Anna Poole - Democratic Services

1. Appointment of Chairman.

RESOLVED:

That Councillor Sue Rawlins be appointed Chairman of the Finance and Audit Subcommittee for the Municipal Year ending June 2025.

Noting that Councillor Rawlins was not present at this point of the meeting, Mrs Maggie Wright CC was appointed Chairman until such time as Councillor Rawlins could take the Chair.

Mrs Maggie Wright CC in the Chair.

2. Minutes of the previous meeting.

The minutes of the meeting held on 14 February 2024 were taken as read, confirmed and signed.

3. Declarations of interest.

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.

4. Inquorate meeting.

The Chairman advised members present that the ESPO Constitution provides that for a quorum there should be at least three Members who were entitled to attend and vote, provided that at least three of the Member Authorities were represented. As the meeting was currently inquorate, until such time as Councillor Rawlins was present, it would be necessary for the Consortium Secretary to write to all constituent authorities to seek their agreement to "decisions" reached in relation to any items considered whilst the meeting was inquorate:

[Item 7 - Internal Audit Service - Progress against the 2024-25 Internal Audit Plan and Internal Audit Updates was the only item considered whilst the meeting was inquorate].

5. Urgent items.

There were no urgent items for consideration.

6. Change to Order of Business.

The Chairman sought and obtained the consent of members present to vary the order of business from that set out on the agenda.

7. External Audit of the 2023/24 Financial Statements and Annual Governance Statement.

With the consent of the Subcommittee, this item was deferred to a future meeting of the Subcommittee.

8. Internal Audit Service - Progress against the 2024-25 Internal Audit Plan and Internal Audit Updates.

Members present considered a report of the Consortium Treasurer concerning progress made against the Internal Audit Plan 2024-25 and Internal Audit updates. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

In presenting the report, the Consortium Treasurer highlighted to the Subcommittee that work was underway to address the audit progress to date set out in paragraph 10 of the report; two of the three draft reports had converted to final report status, and four of the 17 work in progress reports had converted to draft status, due to work undertaken since the report to the Subcommittee had been written.

Regarding the Independent External Quality Assessment, Members were informed that Leicestershire County Council Internal Audit Service had been awarded an overall score of 2.69. Scores for the assessments ranged from 2.19 to 2.71 meaning that Leicestershire County Council Internal Audit Service was in the top 96% of those examined.

The Director of ESPO asked for it to be recorded that he had been consulted during the assessment, as a customer of the County Council's Internal Audit Service and confirmed that the high score awarded correlated with ESPO's experience of the Service.

The Subcommittee commended officers for the success of the quality assessment.

The Subcommittee was informed about consultations currently being held to improve internal audit standards. The Head of the Internal Audit Service would report to the Subcommittee at its meeting in February on the outcome of the consultations.

RESOLVED:

Members present noted the contents of the report and the recommendations set out therein, as follows:

- a. the progress against the 2024-25 Plan;
- b. that there are no high importance recommendations within the Committee's domain;
- c. the outcome of the independent external quality assessment of Leicestershire County Council's Internal Audit Service was positive, and that an action plan is in place; and
- d. consultations on implementing new Internal Audit Standards and proposals for a Code of Practice for the Governance of Internal Audit in UK Local Government are underway.

9. Quorate Meeting.

Cllr. Sue Rawlins arrived at the meeting at 10.50am. The meeting reverted to a quorate meeting.

Cllr. Sue Rawlins in the Chair.

10. Internal Audit Service - Annual Report 2023-24.

The Subcommittee considered a report of the Consortium Treasurer concerning the Annual Report on Internal Audit work conducted during 2023-24. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

RESOLVED:

That the Internal Audit Service Annual Report for 2023/24 be approved.

11. 2023/24 Financial Statements and Annual Governance Statement.

With the consent of the Subcommittee, this item was deferred to a future meeting of the Subcommittee.

12. Contract Procedure Rules Update.

The Subcommittee considered a report of the Director of ESPO concerning revisions to the Contract Procedure Rules. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

In presenting the report, the Director clarified that the date of the Management Committee meeting detailed in paragraph 13 of the report should read as 13 November 2024.

Arising from discussion, the following points were raised:

- i. ESPO's Contract procedure Rules had been reviewed at this stage to bring them in line with Leicestershire County Council's procedures as there had been delays to the Procurement Act.
- ii. Some of the financial limits for contract value/exception were not in whole numbers as they had been converted to pounds sterling from euros.
- iii. The new Procurement Act had placed more of an administrative burden on ESPO and whilst many would see it as a burden, the Director explained that he could see that the Regulations had been developed to reduce the likelihood of litigation.
- iv. The introduction of the Regulations had been a substantial piece of work. However, there was the potential for further amendments once they were in place.

RESOLVED:

That the proposed amendments to the Contract Procedure Rules, detailed at Appendices A, B and C of the report, be approved for submission to the ESPO Management Committee for approval at its meeting on 13 November 2024.

13. Review and Revision of the Constitution of the ESPO Management Committee.

The Subcommittee considered a report of the Consortium Secretary concerning the ESPO Constitution. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

RESOLVED:

That the changes to the ESPO Constitution, summarised in Appendix 1 to the report, be approved for submission to the ESPO Management Committee for approval at its meeting on 13 November 2024.

14. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Committee would be held on 13 November 2024 at 10.00am.

15. Exclusion of the Press and Public.

RESOLVED:

That under Section 100 (A) (iv) of the Local Government Act 1972 the public be excluded from the meeting for the remaining items of business on the grounds that it would involve the disclosure of exempt information as defined in the Act and that in all circumstances the public interest in maintaining the exception outweighs the public interest in disclosing the information.

16. Financial Performance Update - 5 months to August 2024.

With the consent of the Subcommittee, this item was deferred to a future meeting of the Subcommittee.

17. Risk Review.

With the consent of the Subcommittee, this item was deferred to a future meeting of the Subcommittee.

18. Finance Update on Grove Park Warehouse Extension.

With the consent of the Subcommittee, this item was deferred to a future meeting of the Subcommittee.

10.30 - 11.10 am
30 October 2024

CHAIRMAN