



Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield on Wednesday, 11 May 2022.

PRESENT

Cllr. P. Butlin
Cllr. S. Rawlins
Cllr. A. Coles

Cllr. S. Clancy

Apologies

Apologies were received from Dr. R. K. A. Feltham CC and Cllr. B. Goodliff

In attendance

ESPO

Mr. K. Smith
Mr. M. Selwyn-Smith
Mr. D. Goodacre

Leicestershire County Council

Mr. D. Keegan
Mr. N. Jones
Mr. M. Davis
Cat Tuohy

117. Appointment of Chairman.

Mr. S. Clancy was appointed Chairman for the municipal year ending May 2022.

Mr. S. Clancy in the Chair.

118. Minutes of the meeting held on 2 February 2022.

The minutes of the meeting held on 2 February 2022 were taken as read, confirmed and signed.

119. 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.

120. 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.

121. Change to Order of Business.

The Chairman sought and obtained the consent of the Board to vary the order of business from that set out on the agenda for the meeting.

122. Progress against the 2021-22 and 2022-23 Internal Audit Plans.

The Subcommittee received a report of the Consortium Treasurer outlining the progress made against the 2021/22 and 2022/23 Internal Audit Plan. A copy of the report marked 'Agenda Item 5', is filed with these minutes.

Members noted that a legacy issue remained in relation to a partial assurance rating on credit control. The Head of Internal Audit service was confident that recommendations had been acted upon and included within operations, and it was expected to close the partial assurance rating in the next quarter.

It was further noted that a fraud incident had been triggered by a phishing exercise and human error. A formal incident response team had been put in place, and training had been provided for staff. The risk of bank mandate fraud and the risk of duplicate payments was included on the 2022-23 Internal Audit plan.

RESOLVED:

Members noted the contents of the report outlining the progress against the Internal Audit Plan.

123. Internal Audit Service Annual Report 2021-22

The Subcommittee received a report of the Consortium Treasurer outlining the Internal Audit Service Annual Report 2021-22. A copy of the report, marked 'Agenda Item 4', is filed with these minutes.

Members were pleased to note that overall completed audits gave positive opinions on all three components of the 'control environment' i.e. the framework of governance, risk management and control. It was noted one audit returned a partial assurance rating but that management had accepted the recommendations and were working to implement them.

As the international business had been delayed due to Covid-19 the audit on ESPO International would be deferred in favour of Cyber Security and other more pressing issues.

RESOLVED:

Members noted the contents of the Internal Audit Service Annual Report 2021/22 and recommend the report to the Management Committee for approval.

124. Date of next meeting.

RESOLVED:

That the next meeting of the Subcommittee be scheduled for early 2023.

125. Exclusion of the Press and Public.

RESOLVED:

That under Section 100(A) of the Local Government Act 1972 the public be excluded from the remaining item of business on the grounds that it will involve the likely disclosure of exempt information during the consideration of the following items of business as defined in paragraphs 3 and 10 of Schedule 12A of the Act, and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

126. Draft Outturn 2021-22.

The Subcommittee considered an exempt report of the Director and Consortium Treasurer outlining the draft Outturn for 2021-22. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

The exempt 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).

The Subcommittee were informed that the Financial Controller expected to take the 2021-22 Accounts to Management Committee in September.

Members were advised that ESPO took advice from Leicestershire County Council Human Resources as Administering Authority in relation to living wage and its wage structure. It was important to balance the national living wage increases and the Local Government pay award.

The risk of stagflation was discussed, noting that contingency work needed to be undertaken to prepare for tough times ahead, while not damaging ESPO's long term potential. The Subcommittee were assured by ESPO's approach and supported their preparedness.

The Director thanked Members for their comments, feedback and insight, highlighting the strength it gave to ESPO as an organisation.

RESOLVED:

That the 2021/22 draft outturn and update to the MTFS be noted and that the Management Committee be recommended to agree the provisional £4.1m dividend and £0.4m allocation to Building Reserves in line with previous years;

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