



Minutes of a meeting of the ESPO Finance and Audit Subcommittee held at County Hall, Glenfield on Wednesday, 15 February 2023.

PRESENT

Mrs M. Wright CC – Leicestershire County Council (in the Chair).
 Cllr P. Butlin – Warwickshire County Council
 Cllr A. Coles – Peterborough City Council
 Cllr S. Rawlins – Lincolnshire County Council

Apologies

Cllr. Andrew Jamieson – Norfolk County Council
 Cllr Bryony Goodliffe – Cambridgeshire County Council

In attendance

ESPO

Mr. K. Smith - Director
 Mr. D. Goodacre – Commercial Financial Controller
 Mr. G. Tapp – Head of Strategic Finance

Leicestershire County Council

Mr. N. Wash – On behalf of Consortium Treasurer
 Mr. N. Jones – Head of Internal Audit and Assurance Service
 Mr. M. Davis – Audit Manager
 Mr. M. Seedat – Head of Democratic Services

127. Minutes of the previous meeting.

The minutes of the meeting held on 11th May 2022 were taken as read, confirmed and signed.

128. 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.

129. Urgent items.

There were no urgent items for consideration.

130. Revised ESPO Finance and Audit Subcommittee Terms of Reference and Risk Management Policy

The Subcommittee considered a report of the Director of ESPO and Consortium Treasurer concerning proposed changes to the Subcommittee's terms of reference and

consequent changes to the Risk Management Policy. A copy of the report, marked Agenda Item 5, is filed with these minutes.

RESOLVED

That the Management Committee be advised that this Subcommittee supports: -

- a) the proposed changes to the Terms of Reference subject to inclusion of details on the Quorum and ability of members to nominate substitutes.
- b) the consequential changes to the Risk Management Policy.

131. Progress against the 2022-23 Internal Audit Plan

The Subcommittee received a report of the Consortium Treasurer outlining the progress made against the Internal Audit Plan for 2022-23. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Subcommittee was advised that of the high importance recommendations the issues around credit control had been addressed and 2 of 3 relating to Cyber Security had been completed.

RESOLVED:

That the report and information now provided be noted.

132. Draft Internal Audit Plan 2023-24

The Subcommittee received a report of the Consortium Treasurer on the Annual Internal Audit Plan 2023-24. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

The Subcommittee was advised that the ESPO Leadership Team was responsible for the Risk Register and Internal Audit was responsible for ensuring its adequacy and identifying any additional risks.

With regard to hybrid ways of working the aim was for this to continue but the audit was aimed at ensuring that this was working effectively for ESPO and also that the welfare needs of staff were adequately dealt with.

Members were assured that the 150 days allocated for internal audit would be applied flexibly to respond to in year changes.

RESOLVED:

That the Annual Internal Audit Plan 2023-24 be recommended for approval by the Management Committee.

133. Date of next meeting.

RESOLVED:

It was noted that the next meeting of the Committee would be held on 11th October 2023 at 10.30am.

134. 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.

135. ESPO Financial Performance Update - 9 months to December 2022

The Subcommittee received an exempt report of the Director and Consortium Treasurer outlining the financial performance up to December 2022. 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)

Comment was made regarding the potential impact of the pay request submitted for the coming year and how this would be managed should the settlement agreed be higher than that budgeted for.

Members also noted the challenging environment in which ESPO was now operating particularly in relation to inflation and supply side issues

RESOLVED:

That the position now reported be noted.

136. ESPO Budget 2023/24

The Subcommittee received an exempt report of the Director and Consortium Treasurer the draft budget for 2023/24. A copy of the report, marked 'Agenda Item 10', 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)

Members welcomed the draft budget which still projected an increased surplus particularly given:

- increasing costs of goods and supplies;
- the challenges facing ESPO in terms of agency staff;
- the additional costs arising for the new procurement regime;
- a contracting market for school supplies.

RESOLVED:

That the draft budget report including the following key highlights be noted and submitted to the Management Committee: -

- a) The projected outturn of £5.9million for 2022/23.
- b) The projected surplus of £6.2million for 2023/24.

c) The projected financial reserve of £13.5million at the end of 2023/24.

10.30 - 11.45 am
15 February 2023

CHAIRMAN