

Audit & Standards Committee

Minutes of the meeting held on Wednesday 18 January 2023 at the Town Hall, Royal Leamington Spa at 6.07pm.

Present: Councillors K Dickson (Chair); Davison, R Dickson, Illingworth, King, Margrave, Murphy, Russell, and Wright.

Also Present:

Independent Persons: Mr Tomkinson and Ms Pyke

Portfolio Holder for Resources: Councillor Hales

Officers: Sophie Vale (Committee Services Officer); Graham Leach (Democratic Services Manager & Deputy Monitoring Officer); Leanne Marlow (Electoral Services Manager); Andrew Rollins (Head of Finance), Laurelin Griffiths (Director, Public Sector Audit from Grant Thornton) and Siobhan Barnard (Manager, Grant Thornton).

28. Apologies and Substitutes

Apologies for absence were received from Councillors Ashford and Luckhurst.

29. Declarations of Interest

There were no declarations of interest made.

30. Minutes

The minutes of the meeting held on 22 November 2022 were taken as read and signed by the Chair as a correct record.

31. Audited Statement of Accounts and Audit Findings Report

The Committee considered a report from Finance which provided an update on the progress of the 2021/22 audit. The External Auditor's Audit Update Report was also presented. Whilst work on the audit was not concluded, it was expected that the auditors would issue an unqualified audit opinion.

In response to questions from Members, the Head of Finance, the Director, Public Sector Audit from Grant Thornton, and the Democratic Services Manager and Deputy Monitoring Officer explained that:

- the delay of the audit was due to resourcing and staffing gaps within the accountancy team. Officer time being spent on dealing with issues arising from the fall through of the merger with Stratford-on-Avon District Council also had a significant impact on the audit;
- there were staff shortage issues at Grant Thornton as well, and this was part of a wider issue with capacity nationally. There was also staff sickness at Grant Thornton which delayed things further;
- a definitive date for the completion of the audit could not be given, but Members were assured that they were working hard to achieve it;

- the increase in the scale fee for the audit from £41,290 to £73,140 was due to the increase in expectations on external audit companies nationally. The final fee would need to be approved by Public Sector Audit Appointments (PSAA). The £21,285 received from the government to help with the cost of the 2021/22 audit would be a one-off payment, but the increased costs had now been included in next year's budget;
- regarding Note 21 (page 13 of the report), it was prudent that the Council wrote off these cash balances, as the Council did not expect to ever receive that money. These historic cash balances had been flagged as an area of risk, and the new financial system had enabled this as it was now easier for officers to identify when a figure did not reconcile in the system;
- regarding the uncorrected items on page 10 of the report, the auditors were making a statement of fact that, in completing the pensions audit, they had identified that £13.6m was owing to the valuation being received in arrears. The information was based on the updated reports received by the Council's pensions actuary, Hymans Robertson, in June. This was primarily due to a conflict in the timing of the draft audit information being received from the pensions actuary and what the final valuations were. The value, whilst large, fell under the Council's materiality level so there was the option to decline changing the accounts on that basis. This would be corrected at the next valuation. This decision would not impact the funding available to the Council;
- the above issue was common in local government due to the timing issue in terms of when the information was available to the pension fund and when the information needed to be available to the local authorities within that pension fund;
- a report was being brought forward to the Committee's February meeting about mandatory training for Councillors post-election and how Member attendance would be enforced; and
- *regarding the open book income approach used in assessing the income that was to be paid by Everyone Active, it could not be confirmed at this time whether the open book income approach had been audited by Grant Thornton. Councillors would receive an update in due course.*

Resolved that

- (1) the 2021/22 Audit Update Report, including the headlines from the audit, key messages arising from the work and the Value for Money (VFM) procedures to date, be noted; and
- (2) it be agreed that the Accounts are not adjusted in respect of the Pensions Valuation as highlighted in the Audit Update Report.

32. Warwick District Council and Parish Election Scale of Fees

The Committee considered a report from Democratic Services which sought agreement for the increase in elections fees payable to staff for the 2023 District & Parish Elections.

The Council was required to establish the fees payable to persons employed by the Returning Officer at its elections, held every four years,

and at any by-election held in between. The authority for approving these fees had been delegated by Council to the Audit & Standards Committee.

In February 2021, the Licensing & Regulatory Committee approved the Warwick District Council and Parish/Town Council Election Scale of fees, up to December 2024, subject to the inclusion of any increase as a result of a national pay award for Council employees from 1 April 2021 up to and including 1 April 2024, rounded to the nearest 50p.

This was agreed in anticipation that employees would receive a percentage pay award each year. However, the pay award agreed (in October 22) for April 2022 was for a flat £1,925 per scale point. As this was not a straight percentage increase, consideration needed to be given as to how best to apply this to the fees payable to persons employed by the returning officer.

It was recognised that there would also be additional demands on polling staff through the introduction of the requirement for voter ID in polling stations. It was reported by the Electoral Commission that there was a shortage of individuals who wished to help on elections, and it was an increased challenge at each election to recruit staff of sufficient skills to undertake roles in delivering elections.

There was the additional pressure that the election Count would need to be completed on Friday 5 May 2023, due to the Coronation on the morning of 6 May and the bank holiday the following Monday. To that end, officers would be seeking to have many more staff working at the Count than usual.

Officers were also mindful of the increase of 6.6% for Members' Allowances and the pressures on cost of living at this time.

With these points in mind, officers undertook analysis of the fees for elections and how they aligned to scale points for officers. In mapping these fees against scale points would have meant an average increase by circa 6.21%, the most common increase for a role would be a grade E2 which is an increase between 5.75% to 6.21%.

For these combined reasons it was considered that a 6.6% rise in fees for this was considered appropriate. This was anticipated to be followed by a normal % increase in April 2023 and April 2024.

The Committee was aware that this proposal would be back dated to any elections that had taken place between April 2022 and December 2022. The Democratic Services Manager and Deputy Monitoring Officer clarified that the claim in the report that there were no elections during this time was wrong, as there was a by-election in the Leamington Clarendon ward in June 2022.

The Democratic Services Manager and Deputy Monitoring Officer also introduced Members to the new Electoral Services Manager, Ms Marlow.

Resolved that

- (1) the Scale of Fees of Elections be increased by 6.6% in 2023 and any increase as a result of a national pay award for Council workers from 1 April 2021 up to and including 1 April 2024, rounded to the nearest 50p remain in place up to December 2024; and
- (2) a full review of the Warwick District Election Fees be undertaken and brought back to Committee for consideration before December 2024.

33. **Appointments to the Budget Review Group Meeting**

The Committee considered the proposals for appointments to the Budget Review Group meeting to be held on Wednesday 8 February 2023 at 6.00pm. It was

Resolved that the appointments to the meeting are Councillors Davison, R Dickson, King and Wright.

(The meeting ended at 7.09pm)

CHAIR
21 February 2023