

Audit & Standards Committee

Minutes of the meeting held on Tuesday 9 January 2024 at Shire Hall, Warwick at 6.05pm.

Present: Councillor Hales (Chair), and Councillors Cron, K Dickson, R Dickson, Falp, B Gifford, Phillips, Rosu, and Tangri.

Also Present:

Independent Person: Ms Pyke

Portfolio Holder for Resources: Councillor Chilvers

Leader of the Council: Councillor Davison

Parish/Town Council Representative: Councillor Marsh

Representatives from Grant Thornton: Laurelin Griffiths (Director) and Kirsty Lees (Manager)

Officers: Sophie Vale (Committee Services Officer); Mia Matthews (Committee Services Officer – observing only) Graham Leach (Head of Governance & Monitoring Officer); Andrew Rollins (Head of Finance); Richard Barr (Audit & Risk Manager); Richard Wilson (Principal Accountant); Steven Leathley (Strategic Finance Manager); Leanne Marlow (Electoral Services Manager); and Andy Warhurst (Electoral Services Officer).

25. Apologies and Substitutes

- a) apologies for absence were received from Councillors Aizlewood, Browne, and Yellapragada, Independent Person Ray Tomkinson, and Parish/Town Council Representative Councillor Franklin; and
- b) Councillor Collins substituted for the Labour Vacancy.

26. Declarations of Interest

In respect of Minute Number 28 - Polling District Place and Station Review, Councillor Phillips declared an interest because he was a member of the Barford, Sherbourne and Wasperton Parish Council.

27. Minutes

The minutes of the meeting held on 25 September 2023 were taken as read and signed by the Chair as a correct record.

28. Polling District Place and Station Review

The Committee considered a report from Governance Services which sought approval of the final proposals for the statutory review of Polling Districts, Places and Stations for Warwick District.

Under the Representation of the People Act 1983, the Council had a duty to divide its area into Polling Districts and to designate a polling place for each Polling District.

The Electoral Administration Act 2006, as amended, introduced a duty on all local authorities in Great Britain to review their polling Districts and polling places at least once every five years.

The Boundary Commission for England had completed a review of parliamentary constituency boundaries. The Commission had published its final recommendations, and Orders for the new parliamentary constituency boundaries were made on 29 November to be in place for the next UK Parliamentary election. The Polling scheme proposed for Warwick District would reflect the new constituencies. The Polling District letters might change post this review to reflect the new constituencies, ready for the revised register publication on 1 February 2024.

The Elections team had undertaken extensive research and site visits within the timeframe allowed. It was important to note that the Polling Review would normally take approximately six months to complete, but officers had compressed the review into three months due to the potential snap general election as advised by the Electoral Commission and the Association of Electoral Administrators.

All the final proposals were based on the consultation responses, site visits, and research collated. The consultation was carried out from 2 October to 10 November. The Council received approximately 250 responses to the consultation; responses to which the Council were legally obliged to publish once the review has concluded.

The final proposals would meet the accessibility requirements introduced by the Elections Act 2022 which added additional responsibilities onto the Returning Officer to make sure it was easier for all disabled people to vote. The Returning Officer was required to take all reasonable steps to provide equipment to support disabled voters to vote independently and in secret at the polling station.

The Committee should be aware that the Chief Executive, within his role as Returning Officer had the delegated authority to designate polling places where a decision was required at short notice, for example a building became unavailable at short notice.

In terms of alternative options, the review could have been extended further to allow more time to liaise with potential future polling places as the Council were having difficulty communicating in some places. However, this would have caused uncertainty to the election in May 2024 when booking polling places and where the electorate would vote. Due to the printers requesting the data for poll cards early, the Council would need to publish the revised register to reflect the new polling Districts and the new parliamentary boundaries on 1 February 2024.

In response to questions from Members, the Electoral Services Manager and Head of Governance and Monitoring Officer stated that:

- the review needed to happen at least once every five years. Usually the review would happen in a year in which elections were not expected. However, the Council could not know when the next general election would be;
- the Electoral Commission was constantly reviewing the ratio between District and County and if it was found to be 30% out of tolerance it would require an automatic review of the ward;
- a timeframe of around 15 months was given to the Electoral Services Team and it was required by law to complete the review within this period. Informal reviews could be conducted at any time.

- as wards were developed, the Electoral Services team would monitor developing areas to identify any community infrastructure that would enable closer distance to polling stations;
- the Returning Officer had authority to move a polling station at short notice;
- going forward, the Electoral Services Team would consult ward Councillors for the review prior to publishing;
- any changes to polling station locations were made so that any individual would be able to access a polling station;
- Members of the Audit & Standards Committee were entitled to retain a polling station if they were minded to do so;
- the move away from Wasperton Village Hall was suggested to be temporary whilst the necessary works at the hall were carried out. It was noted the door width for this building was significantly under the accessibility requirements, and the age of the building posed other challenges;
- the location of the replacement polling station was detailed in the consultation, and only two responses had been received;
- it was not a requirement to have a hearing loop in polling stations; however, as the Council did not directly run the buildings that were used as polling stations, they could not install them themselves, but instead could signpost towards grants that were available; and
- it was a legal requirement for the Council to provide a private space to conduct ID checks should an elector request this. In the last election, there were 29 areas that did not have a separate room to act as a private space. As a result, old voting booths were used successfully.

It was proposed the recommendations in the report be approved, subject to Wasperton Village Hall's removal from the proposed changes.

Resolved that the final proposals for the compulsory Polling District, Place and Station review as set out in Appendices 1, 2 and 3 to the report, be approved, subject to the revision that the polling station for polling district WBH stays at Wasperton Village Hall.

29. **Review of Elections**

The Committee considered a report from Governance Services which provided a summary and learning points from the 2023 Local Elections. It also highlighted key areas of concern for the delivery of any future election or referendum within Warwick District.

While the Committee was responsible for electoral matters, the delivery of any election was the sole responsibility of the Returning Officer. The Returning Officer for Warwick District was the Chief Executive. However, it was important for this Committee to be aware of the challenges and issues faced in delivering the election for the District Council.

Each election that was delivered had its own set of challenges and in most cases, differences within the legislation or lines of responsibilities. While there were learning points within these reports, some would apply to all elections, and some would be specific for future all out elections for Warwick District Council.

The report covered the delivery of the elections themselves, from the initial planning through to the closure of the accounts (issuing of invoices to Parish/Town Councils). This timeline therefore covered a 15-month period.

The Committee was reminded that this was not the delivery of a single election, and each individual ward or parish election needed to be taken as its own election. On polling day there were 39 contested elections (17 District Wards and 22 Town Wards), and a further 31 uncontested Parish/Town elections.

The review had been broken into themes of Core Staffing, Wider Staffing, Nominations, Polling Stations, The Count, Postal Votes and accounts. Within these, there was a cross cutting theme of phase one of the Elections Act 2022 with phase two (the more demanding part) on the horizon for elections in May 2024 and beyond.

The Committee noted the two reports (one from the Electoral Commission and one from the Local Government Information Unit) listed in the supporting documents to the report. These drew out a number of the key issues faced with when delivering elections on a national level, which were reflected on a local level within Warwick District.

The report was presented for information only and therefore no alternative options were provided.

In response to questions from Members, the Electoral Services Manager and Head of Governance and Monitoring Officer stated that:

- recharging to Town and Parish Councils was a challenging process, particularly regarding the complexity of staffing at the count. Each cost had to be looked at in detail before being returned to Town and Parish Councils, although a better forecasting model for this process had been developed for the next election;
- this election was challenging, and there were restrictions due to the Coronation happening on the same weekend. Therefore, a lot of resources had to be placed into the count occurring on Friday, which required more resources than usual and thus the overall cost was impacted. Hiring staff for the election was the heaviest cost implication across the election;
- postal votes had presented a challenge. This was nothing new as Councils had had the same challenge with Royal Mail for a number of years, this was not just a local issue. Some days Riverside House received no mail;
- the team had discussed the issue with Royal Mail and found one solution would be to pay an extra fee for guaranteed delivery;
- electors who did not receive a postal vote could have applied for a re-issue of their postal vote. Individuals had called for a re-issued vote and it was found their previous vote had already been scanned in;
- in terms of count tickets, digital tickets would be issued at the next election. This system would be tested at the upcoming by-election;
- there were a number of areas the Council had no control over, such as rising costs. For example, Royal Mail had increased their costs by 15%, which affected every poll card and postal vote that was sent. Extra staff was necessary at polling stations and the cost of Poll

Clerk staff had to be increased in line with minimum wage requirements. WDC was doing its best to maintain costs where possible;

- one area for review was the uncontested fee. It currently stood at £300, which was seen to be unrealistic and would likely increase due to the amount of work that went into it. A report would be brought to the Audit & Standards Committee for consideration at a later date;
- each postal vote received was checked against the elector's date of birth and signature to ensure its validity. Whether it was accepted or rejected could not be discussed with the elector until after the election;
- ballots would be counted in bundles of 10 going forward as it seemed that staff found this easier than bundles of 25;
- implementation of the action plan had been challenging so far due to staff shortages, but monthly project board meetings had been set up to ensure smooth implementation;
- voter ID data was statutory data to be fed back to the Electoral Commission. The data had not been broken down by ward area but would be in the future;
- officers kept track of voter ID data via a logbook but details could not be shared at this time; and
- changes in the information legally required on poll cards meant that A5 cards could no longer be used.

It was proposed the recommendations in the report should be noted.

Resolved that the report be noted, and the action plan as set out in Appendix 1 be approved.

30. **Treasury Management Activity Report for period 1 April 2023 to 30 September 2023**

The Committee considered a report from Finance which detailed the Council's Treasury Management performance for the period 1 April 2023 to 30 September 2023.

Core re-investments were kept short to take advantage of the changes in interest rates, and these outperformed the benchmark.

Money Market Funds and Call Accounts were used for every day cashflow purposes and combined, they outperformed against the benchmark.

The overall performance was above the benchmark.

The Council's 2023/24 Treasury Management Strategy and Treasury Management Practices (TMPs) required the performance of the Treasury Management Function to be reported to Members on a half yearly basis in accordance with the Treasury Management Code of Practice.

The Principal Accountant noted that some of the information in the report was now outdated. Paragraph 4.2 in the report referred to the interest charge in the Housing Revenue Account, and that had since moved to part of the budget setting so the figures for 23/24 onwards would now be included in the upcoming Treasury Management Strategy report.

Page 7 of Appendix A to the report referred to the borrowing activity for the first half of the year and included £1m borrowed from the Public Works Loan Board in April 2023 for Milverton Homes Ltd to enable it to buy its first properties. Referencing the (b) within Appendix A to the report, £5m of the £60m lent to the Joint Venture was repaid by it at the end of September 2023, and was repaid to the Public Works Loan Board at the beginning of October 2023.

In response to a question from Members, the Principal Accountant stated that the Council would look at S114 notices and any public media concerns before making investments with other local authorities in the future.

It was proposed the recommendations in the report should be approved.

Resolved that the report and appendices be noted.

31. **Internal Audit Progress Report: Qtr. 2 2023/24**

The Committee considered a report from Finance which advised on progress in achieving the Internal Audit Plan 2023/24, summarised the audit work completed in the second quarter and provided assurance that action had been taken by managers in respect of the issues raised by Internal Audit. This aided effective governance within the Council.

In response to questions from Members, the Audit & Risk Manager, Head of Finance, and the Head of Governance & Monitoring Officer stated that:

- the prioritisation of audits was done through risk assessments, and everything the Council provided or was involved with should be subject to an audit within a three-year cycle;
- the frequency of audits depended on a range of factors, including an assessment of the last audit completed for that area, perception of current management of that area, the income and expenditure of the area and any relevant legislative requirements;
- if a service area had been recently restructured or a new team or senior manager brought in, then it was likely that an audit for that area would be prioritised and brought forward;
- the allocation of time dedicated to an audit also depended on its complexity and how much money was involved;
- frequency and time allocation of audits was determined in consultation with the relevant service area and its staff members;
- officers were still waiting on a response from the Head of Customer and Digital Services regarding Councillor Dickson's pre-meeting question about the recommended Change Advisory Board being incorporated into a new structure to ensure greater accountability;
- the completion of the Cyber Security Audit was high priority, and work was being led by the Deputy Chief Executive to address the issue;
- items from the audit would form part of the upcoming budget and would be implemented in Financial Year 2024/25;
- the roadblock to completion of the Cyber Security Audit was believed to be a lack of time and resources to ensure that the required evidence was provided to the auditors; and

- Members could request an explanation or update from the Head of Customer and Digital Services.

It was proposed that the recommendations in the report should be approved, alongside a note for the Chair to write to the Chief Executive and the Head of Customer and Digital Services regarding the outstanding Cyber Security Audit.

Resolved that

- (1) the Chair will write to the Chief Executive and the Head of Customer and Digital Services asking for an explanation as to why the Cyber Security Audit had not been completed, and also to request the presence of the Head of Customer and Digital Services at the next meeting; and
- (2) the report and appendices be approved.

32. **Annual Governance Statement 2022/23 Action Plan: Review of Progress**

The Committee considered a report from Finance which reviewed the progress that was being made in addressing the 'Significant Governance Issues' facing the Council as set out in its Annual Governance Statement 2022/23. The appendix accompanying the report detailed the progress in addressing the Significant Governance Issues.

The recommendation would help fulfil Members' responsibility for effective corporate governance within the Council and provided assurance to Members that the governance issues identified as part of the compilation of the Annual Governance Statement were being addressed.

The Head of Governance & Monitoring Officer agreed to provide the Committee with an update regarding any changes made to the Overview & Scrutiny Committee Work Programme at their 23 January 2024 meeting.

It was proposed the recommendations in the report should be approved.

Resolved that the report be noted. The Committee was satisfied with the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2022/23.

33. **Revised Internal Audit Strategic Plan 2023/26**

The Committee considered a report from Finance which presented an updated Internal Audit Strategic Plan for 2023-26, which was necessary because of reduced Internal Audit resources arising from the resignation of a member of the team, effective from 31 December.

In response to concerns raised by Members, the Audit & Risk Manager and the Head of Finance stated that:

- the Neighbourhood & Assets Fire Safety Compliance Audit would now be covered under the new housing legislation;

- the Neighbourhood & Assets Fire Safety Compliance Audit was one of a number of areas that Pennington had set out as needing to be subject to compliance reviews; and
- as part of the action plan for the Pennington's report, it was stated that the Council would look to get the specific technical support in respect of addressing the compliance audit requests received as part of the recommendations.

It was proposed the recommendations in the report should be approved.

Resolved that the report and appendices approved.

34. **Final Accounts 2021/22**

The Committee considered a verbal update from the Head of Finance and representatives from Grant Thornton, the Council's external auditors.

The Head of Finance explained that, over the past 20 months, the production of the audits and financial statements had been challenging for both officers and auditors. Progress had been slow, and the Council still did not have a complete 2021/22 audit position, nor had it started on the 2022/23 audits. 2021/22 was a transitional year for the Council, and it had faced a number of challenges, including the implementation of a new finance system which had caused some delays in terms of responding to queries from auditors. The accounts had been subject to audit by Grant Thornton, but the date for the audited accounts to be signed off had to be changed multiple times, meaning that the audit work remained outstanding.

As of November 2023, Grant Thornton decided to pause work on the audit and noted that the Council needed to prioritise work on the budget setting for 2023/24. Grant Thornton also needed to prioritise completing outstanding audits within their portfolio. This audit backlog was a significant national issue, with only less than 1% of audits being completed to the deadline last year.

Key issues specific to the Council's audit were linked with the treatment of assets, particularly those classified as assets under construction. This issue was further compounded by the challenges with the new finance system, specifically with the integrated asset module system, which the Council's provider, Technology One, needed to resolve in order for work to progress. The Strategic Finance Manager had met with Technology One and was proactively pushing for them to resolve the issues.

Delays had also been exacerbated by staff shortages in both the Council and Grant Thornton. As a result of this, more senior auditors in Grant Thornton had been allocated to the Council, meaning that items completed previously had to be reopened to provide the necessary assurance.

The representatives from Grant Thornton noted that there had been significant issues with the draft financial statements as they were published, and there had been a number of changes to those statements. Since last reported to the Committee in June 2023, they had not identified

any further significant amendments in terms of the Council's revenue income and revenue expenditure. However, there were a number of concerns and queries relating to the capital expenditure which were currently being worked through with the Finance team. Some of these concerns were material in nature, and others were in relation to the accounting treatment of individual capital schemes or assets, and Grant Thornton was expecting that management should be able to resolve them. Some of the queries raised related more generally to the information being output by the Council's asset system, whether the information provided was sufficient or indeed correct.

Grant Thornton also completed a piece of work each year considering the Council's arrangements to secure value for money. Although reporting could not be finalised until the completion of the audit, a substantial amount of work on this project had been completed. Draft reports were currently with the Finance team for both the audit findings and the value for money findings, with a view to bring those to the next meeting. The findings for the value for money work included improvement recommendations and also one key recommendation which related to the delays and issues with the accounts and audit process. Grant Thornton was continuing to work with the Council to ensure that the issues were resolved and the audits completed.

In response to questions from Members, the Head of Finance and the representatives from Grant Thornton stated that:

- the delays in completion had generated additional work that had incurred a fee. The Audit Findings Report contained a provisional fee which covered the work to date, and was an increase on the original Public Sector Audit Appointments (PSAA) fee;
- Grant Thornton would begin to discuss fees once timescales were set, and fees would be set at a scale rate in line with the PSAA guidance;
- the Council would be getting a new external auditor from 2023/24 as a result of a new PSAA contract coming into place. As part of the tender process for that contract, new firms were encouraged to come in and train new people into the audit specialism;
- the national audit backlog was being considered by the government;
- the significant number of audit backlogs did create risks to the financial positions of local authorities nationally, and ones that had recently issued S114 Notices all had outstanding audits; and
- the Council and Grant Thornton were working towards a deadline of March 2024 to complete the audit.

(The meeting ended at 7.50pm)

CHAIR
27 February 2024

Action Plan

Action	Why	When	Who
Additional Elections Officer within Team	The increased demand from Elections Act 2022 on the team	Implemented	Electoral Services Manager
Presentation to all WDC Councillors on Election Act Phase 2	Increase awareness for the changes and challenges that are faced	Dec 23/ Jan 24	Electoral Services Manager
Advertising campaign for polling staff	Increase in poll staff needed and high turnover in staff	Dec 23/Jan24	Elections Team & Communications
Training for front line staff on process for nominations and checking election post	The move out of RSH will mean no election staff based at the same venue as reception	Nominations – Mar 24 Election post - Nov 23/Dec 23	Elections Team & Customer Services & Corporate Support Team
Increased front line staffing during election period for increased demand	The increased demand with the new election laws.	April 24	Head of Governance & Elections Manager
RUCIS grants to help polling stations where we can	Polling places with accessibility issues where no alternative venue is available.	Jan 24	Electoral Services Manager
Refine count layout so based on two horseshoes rather than 3	Due to feedback from elections 23.	April 24	
Introduce a taped line in front of each count table that all agents and candidates have to stand behind	Due to May 23 elections candidates & agents caused interruptions to the counting process.	May 24	Count set up team
Work with Electoral Management System supplier for increasing the tickets that can be issued	To provide greater flexibility on Count ticket allocation for candidates and agents in line with regulations	Jan 24	Elections Team

Future elections only scan in staff and have this at point of entry	Less time consuming and easier to calculate payments.	May 24	Count Staff allocated
Security management with staff moving tables to get in and out due to entry point how to stop this?	This helps the venue to run more effectively and provides clear boundary between roles.	Feb 24	Count set up team
Green zipper bags to have marked registers in too, so we have control of them	Less time spent after the election searching bags for missing registers.	May 24	Elections Team
Increase initial provisions within stationery box allocated to each count table	There was a lot of time spent by count tables collecting additional materials form a central area, this could be reduced for future elections	April 24	Elections Team
Wire baskets or uses the plastic trays to count into.	For so many elections with significant number of candidates it was identified that insufficient wire baskets were held by the Council. These are used so all can clearly see where ballot papers are and indicatively (by volume) who has the most votes.	April 27	Elections Team
Technician support for PA system to ensure it can be heard through the hall	Improved understanding for all on what is happening at the Count	May 24	
Complete count instructions basics earlier (easier for PCC)	Count supervisors have more time to familiarise themselves with the instructions.	May 24	?
Counting sheets liaison with express to ensure unused votes included on templates	Efficient paperwork throughout	Apr 24	Elections team
For multi seats wards ensure more calculators are available for use by counters	Each area only had a calculator but some had three members of staff needing to use them. While most people have their phone available appropriate	Mar 24	Elections team

	resources should be provided by the Count.		
For all future elections move to counting in 10 rather than 25	This is considered easier for Count staff and while more clips are required it reduces errors.	May 24	Elections team
The returning Officer has to display official notices for elections. The location for this in 2024 is to be determined following the move from Riverside House	This will be reviewed on completion of the works at the Pump Rooms	March 24	Electoral Services Manager
Poll card letter to say why two postal packs	Confusion with electors	Mar 24	Electoral Services Manager

Voter ID data

99.95% of electors who came to vote in Warwick District Council's polling stations brought photo ID, which met the newly introduced voter ID requirements.

Collated figures across the area show 28,432 electors voted at 126 polling stations on 4 May.

In summary, 14 electors (0.05%) who attended a polling station to vote were not given a ballot paper because they did not meet the new voter ID requirements.

Across all polling stations, 106 electors were initially turned away throughout the day and 92 returned with acceptable ID and were able to vote. This means 86.79% of those initially turned away returned later in the day and were issued with a ballot paper.