

Audit & Standards Committee

Minutes of the meeting held on Tuesday 22 November at the Town Hall, Royal Leamington Spa at 6.00pm.

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

Also Present:

Independent Persons: Mr Tomkinson.

Portfolio Holder for Resources: Cllr Hales

Officers: Sophie Vale (Committee Services Officer); Graham Leach (Democratic Services Manager & Deputy Monitoring Officer); Richard Barr (Audit & Risk Manager); Richard Wilson (Principal Accountant); and Andrew Rollins (Head of Finance).

19. Apologies and Substitutes

Apologies for absence were received from Councillors Ashford and Wright, and Independent Person – Belinda Pyke.

20. Declarations of Interest

There were no declarations of interest made.

21. Minutes

The minutes of the meeting held on 30 August 2022 were taken as read and signed by the Chair as a correct record.

22. Treasury Management Activity Report for period 1 April 2022 to 30 September 2022

The Committee considered a report from Finance which detailed the Council's Treasury Management performance for the period 1 April 2022 to 30 September 2022.

The Committee had concerns about investments in countries such as Qatar and Kuwait and were advised by the Principal Accountant that investment decisions were based on credit rating. Countries with the same or higher rating as the UK were permitted under the Council's set of parameters. He stated that the Council enlists the services of a broker to inform them of the investment options most suited to the Council's needs at the time. The Council then chooses the most appropriate option with the best terms. Members were advised that the removal of these countries from the Council's approved list, and the possibility of introducing an environmental, social and governance (ESG) approach to cash investments would be taken to a Programme Advisory Board for consideration. Any recommendations would be brought back to Council as part of the Annual Treasury Management Strategy in February 2023. However, the Committee were advised that a more specific direction of funding investment would potentially reduce the income from such investments. Equally, the Council needed to be mindful that it could not

ensure these criteria were applied two or three steps down the chain of investment.

Resolved that the report and appendices, be noted.

(Councillor King arrived at the meeting during this item)

23. Internal Audit Quarter 2 2022/23 - Progress Report

The Committee considered a report from Finance which advised on the progress in achieving the Internal Audit Plan 2022/23, 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 a comment from the Committee, the Audit and Risk Manager stated that, regarding the audit of Leaseholder Service Charges, the responsible officer was still awaiting input from Legal Services. The Democratic Services Manager and Deputy Monitoring Officer assured Members that he would follow this matter up with Legal Services in their next review meeting.

Resolved that the report and appendices, be noted and approved.

24. Annual Governance Statement 2021/22 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 2021/22. The appendix accompanying the report detailed the progress in addressing the Significant Governance Issues.

The recommendation helped 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 Democratic Services Manager and Deputy Monitoring Officer advised that the Performance Management Officer would be sending regular reminders to all Members on where to access performance data. He agreed to write to the chairs of the Programme Advisory Boards to recommend that they regularly access the data for their Service Area.

In response to a question about the balance between the two scrutiny Committees (the Overview & Scrutiny Committee and the Audit & Standards Committee) and the possibility for reviewing the scrutiny capabilities of each committee, the Democratic Services Manager and Deputy Monitoring Officer advised that a committee should be allowed a full 12-month cycle before review.

Resolved that the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2021/22, be noted.

25. **2023 Review of Parliamentary Boundaries**

The Committee considered a report from Democratic Services which informed of the consultation on the revised proposals for the Parliamentary Constituencies for Warwick District and provided a suggested submission on behalf of the Council.

The report provided a summary of the final proposals for consultation published by the Boundary Commission for England (BCE) and, because there had been no material changes to the proposals, it was considered appropriate for the Committee to express its disappointment.

In response to questions from Members, the Democratic Services Manager and Deputy Monitoring Officer stated that Warwick District Council did not have to make the same representation as Stratford-on-Avon District Council or Rugby Borough Council because the concerns of Warwick District Council were about the 'donut' effect on the Warwick and Leamington constituency, and therefore did not impact the views of the other Councils.

Resolved that

- (1) no further comments on the proposals be submitted except to express its disappointment at the view taken by the Commission, subject to (2) below; and
- (2) following the publication of the Electoral Registers in Warwick District, Rugby Borough and Stratford-on-Avon District on 1 December 2022, the Democratic Services Manager & Deputy Monitoring Officer, in consultation with the Chair of this Committee, be authorised to highlight to the Commission the electorates for the two proposed Constituencies for Warwick District if either are already outside the proposed tolerances for new Constituencies (no smaller than 69,724 and no larger than 77,062) and ask that the Commission remodel their proposals across the West Midlands to see if they have already created Constituencies outside of their tolerance before any further expected growth in electorates between now and 2031 (the next review).

26. **Burton Green Community Governance Review**

The Committee considered a report from Democratic Services that informed Members of the responses received to the consultation for the review of electoral arrangements within the parish of Burton Green.

In terms of alternative options, the Committee could consider adopting the order of removing the Warding for Burton Green Parish Council. However, based on the feedback it was not considered appropriate.

In response to comments from Members, the Democratic Services Manager and Deputy Monitoring Officer stated that the upcoming housing development in Burton Green, as well as ongoing HS2 works, had been considered by officers. Another review would be undertaken in a few years' time to consider the changes from these developments.

Resolved that

- (1) the views received in connection with the consultation, be noted;
- (2) no further action be taken, and no amendments be made to the current electoral arrangements of the Parish of Burton Green;
- (3) officers inform Burton Green Parish Council of the outcome and remind them of the criteria to fill the vacant seats; and
- (4) officers are asked to promote how to become a Parish Councillor, including the relevant criteria for standing for election, in partnership with Warwickshire Association of Local Councils ahead of the elections in May 2023.

27. **Co-option of Parish/Town Council Representative**

Members received nominations for the co-opted representative to the Committee. It was

Recommended to Council that Councillor Brian Smart of Whitnash Town Council be appointed as the co-opted representative to the Audit & Standards Committee.

(The meeting ended at 7.19pm)

CHAIR
18 January 2023