

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 24 JULY 2019

Present: Councillor V Richichi (Chairman)

Councillors D Harrison, C Benfield, D Bigby, J Clarke, L A Gillard, S Gillard, M D Hay and S Sheahan

Officers: Mrs T Bingham, Miss A Wright, Mrs L Marron, Miss E Warhurst, Mr M Murphy and Mrs R Wallace

External Audit: Mr M Surridge

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATION OF INTERESTS

There were no declarations of interest.

3. MINUTES

Consideration was given to the minutes of the meeting held on 20 March 2019.

It was moved by Councillor V Richichi, seconded by Councillor D Harrison and

RESOLVED THAT:

The minutes of the meeting held on 20 March 2019 be approved as a correct record and signed by the Chairman.

4. REPORT TO THOSE CHARGED WITH GOVERNANCE

Mr M Surridge, External Auditor, presented the report to Members.

In response to a question from Councillor S Sheahan, the External Auditor explained that it was the shared opinion of all local authority auditors and the National Audit Office that the implications of the GMP and McCloud judgement should be taken into account, as there would be a future unavoidable material impact. In response to a further question from Councillor D Bigby, it was reported that there was no way of knowing what the financial impact would be at this stage.

Councillor D Harrison was pleased with the outcomes of the report, particularly the unqualified value for money conclusion for the 2018/19 financial year.

By affirmation of the meeting it was

RESOLVED THAT:

- a) The External Auditors Audit Completion Report be noted.
- b) The management representation letter be approved.

Chairman's initials

5. ANNUAL GOVERNANCE STATEMENT

The Head of Finance presented the report to Members.

By affirmation of the meeting it was

RESOLVED THAT:

The Annual Governance Statement be approved.

6. ANNUAL STATEMENT OF ACCOUNTS

The Head of Finance presented the report to Members.

Councillor C Benfield did not feel that the wording within the report was clear enough to explain how the council were financially supporting the cleaner and greener priority. He also raised concerns regarding the transparency of the Section 106 Agreements, as the full detail was not publically available. The Head of Finance did not believe that it was unlawful to not have details publically available, but would take the comments back to officers to consider what information to share publicly in the future.

By affirmation of the meeting it was

RESOLVED THAT:

- a) The Annual Statement of Accounts be approved.
- b) The Committee Chairman be authorised to sign the accounts as approved.
- c) Authority to approve any minor non-material amendments to the accounts, as agreed by the auditor, be delegated to the Committee Chairman and the Section 151 Officer on behalf of the Committee.

7. TREASURY MANAGEMENT STEWARDSHIP REPORT

The Finance Team Manager presented the report to Members.

In response to a question from Councillor S Sheahan, the Finance Team Manager reported that there had been an increase in the amount of local authority investment due to the level of interest from local authorities at the moment. Both the Finance Team Manager and the Head of Finance gave assurances that this type of investment was safe.

After further discussions on the risk of local authority investments, the Head of Finance appreciated the differing views but assured that there were counter party limits for lending and the Investment Strategy has been strengthened. She added that a number of investment requests from local authorities had been refused due to their financial position, which proved that all risks were assessed before making a decision.

Councillor D Benfield asked if any provisions had been made to assist with the impact of a no deal EU Exit on the three main areas of concern, which were investments, local businesses and individual population. The Head of Finance explained that in terms of investments, the situation was being monitored along with the council's treasury advisor but there had not been any advice received in relation to taking mitigating action. In respect of local business, there had been EU funding received to assist with any impact on the airport. In respect of individual population, the Chief Executive was leading on this and the Head of Finance would obtain a response outside of the meeting.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

8. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report to Members.

Members were referred to the two full audit reports circulated prior to the meeting. The Audit Manager confirmed that all recommendations for the grounds maintenance audit had now been completed and good progress had been made towards the recommendations for the health and safety audit. The Head of Human Resources and Organisation Development was in attendance to answer any questions Members had regarding the Health and Safety audit recommendations.

Councillor D Bigby was pleased to see that the health and safety recommendations were being addressed. He asked for further information on the task group that was to be set up. The Head of Human Resources and Organisation Development explained that a task group had been created which was made up of managers from high-risk areas and three trade union representatives. The group would address the audit recommendations now but it was anticipated that there would be value in maintaining the group in the future and transforming it into a formal committee. Councillor S Sheahan agreed with the approach and the possibility of a formal committee in the future.

In response to a further question from Councillor D Bigby, the Head of Human Resources and Organisation Development reported that the resourcing of the health and safety function was being reviewed and some initial benchmarking results had indicated that it was not widely different from other similar sized authorities. He added that the intention was to have a critical friend from a Nottinghamshire Authority; this would assist in further reviews of the function.

In response to a question from Councillor V Richichi, the Head of Human Resources and Organisation Development explained that the high-risk areas were recycling, refuse, the depot, housing maintenance and grounds maintenance. He confirmed that risk assessments were continuous in those areas.

Councillor M Hay asked if there was any focus on mental health as well as physical health. The Head of Human Resources and Organisation Development informed that there were a number of trained mental health first aiders within the workforce as well as a 24-hour helpline, along with a number of other things in progress.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

9. INTERNAL AUDIT ANNUAL REPORT

The Audit Manager presented the report to Members.

In response to a question from Councillor S Sheahan, the Audit Manager confirmed that she was satisfied with the controls that had been put in place so far in relation to the critical audit recommendations that were included within the report. She was confident that there should be no reoccurrences if the controls were maintained.

Chairman's initials

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

10. CORPORATE RISK UPDATE

The Head of Finance presented the report to Members.

Councillor D Bigby was pleased to see that two of the three high-risk areas had included updated control measures since it was presented to the Corporate Scrutiny Committee the previous month. He felt that this indicated the risk was being taken seriously.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

11. STANDARDS AND ETHICS - QUARTER 1 REPORT

The Head of Legal and Commercial Services presented the report to Members.

Councillor D Bigby commented on the significant increase in Freedom of Information requests and asked if a reason had been identified. The Head of Legal and Commercial Services reported that there had been a decrease over previous years and was unsure what had caused the recent spike in numbers. She agreed to look at recent trends and report her findings to Members.

Councillor J Clarke was pleased to see that 99 percent of Freedom of Information requests were answered on time and thanked officers.

By affirmation of the meeting it was

RESOLVED THAT:

- a) The report be noted.
- b) The new report structure be endorsed.

12. COMMITTEE WORK PLAN

The Head of Finance reported that the work plan would be updated to include all items for the remainder of the financial year.

By affirmation of the meeting it was

RESOLVED THAT:

The committee work plan be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.45 pm

Chairman's signature