

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 19 JANUARY 2022

Present: Councillor S Gillard (Chairman)

Councillors N Smith, E G C Allman, C C Benfield, J Clarke, M D Hay, V Richichi, S Sheahan and M B Wyatt

In Attendance: Councillors

Officers: Mr D Bates, Beavis, Mrs C Hammond, Ms R Haynes, K Hiller, Mrs R Wallace, Miss E Warhurst and Miss A Wright

External Audit: Mr M Surridge

The Chairman informed Members of a slight change in the order of business, item 11 – Members Code of Conduct, would be considered following item 5.

## **22. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor R Morris.

## **23. DECLARATION OF INTERESTS**

There were no declarations of interest.

## **24. MINUTES**

Consideration was given to the minutes of the meeting held on 20 October 2021.

It was moved by Councillor N Smith, seconded by Councillor E Allman and

RESOLVED THAT:

The minutes of the meeting held on 20 October 2021 be confirmed as a correct record.

## **25. COMMITTEE WORK PLAN**

Consideration was given to the Committee work plan.

By affirmation of the meeting it was

RESOLVED THAT:

The Committee Work Plan be noted.

## **26. EXTERNAL AUDIT UPDATE**

The Head of Finance informed Members that in accordance with the ongoing audit on the published annual accounts 2020/21, the review of the council's property, plant and equipment was still underway. Therefore, there was a further delay in reporting the annual accounts to the committee until the confirmed valuations of those assets from the review could be included if necessary. It was confirmed that this was a technical issue and therefore had no impact at all on the General Fund or the Council's financial position.

Chairman's initials

The External Auditor addressed the committee to reaffirm comments made by the Head of Finance and to confirm that officers had been working closely with External Audit throughout the process.

Following a comment made by a Member raising concerns that the delay in the final annual accounts had now occurred in two consecutive years, the Head of Finance concurred that there had been issues in the past due to technical adjustments. Members were reassured that a clear action plan had been put in place to ensure completion as soon as possible.

A further discussion was had on the property, plant and equipment review issues and a technical explanation was given on the impact on the financial position.

The Chairman thanked External Audit for their attendance and update.

## **27. MEMBERS' CODE OF CONDUCT**

The Head of Legal and Commercial Services presented the report to Members and handed over to the Legal Services Team Manager who went through the Code of Conduct detailed within appendix A of the report, including the reasonings behind the proposed changes.

A discussion was had on the integrity principle of public life and in response to a question, it was confirmed that a matter directly relating to a close friend, relative or close associate still needed to be declared at a meeting as detailed at paragraph 3.3 of Appendix B in the draft code. Members thanked officers for the hard work undertaken on bringing the matter forward and it was hoped collaborative working with other local authorities would continue.

It was moved by Councillor S Gillard, seconded by Councillor J Clarke and

RESOLVED THAT:

The report be noted.

## **28. INTERNAL AUDIT PROGRESS REPORT**

The Audit Manager presented the report to Members and no comments were made.

It was moved by Councillor S Gillard, seconded by Councillor E Allman and

RESOLVED THAT:

The report be noted.

## **29. ASSESSMENT OF GOING CONCERN STATUS**

The Head of Finance presented the report to Members.

A discussion was had on the ability to achieve a balanced budget in future financial years due to the forecasted reduction of funds. It was confirmed by the Head of Finance that although the 2023/24 financial year, as projected, would be the most difficult to date, he was confident the resilience was there to balance the budget. However, the financial years following this would be more difficult and it was important to now put plans in place for the long term.

Chairman's initials

The focus from national government on social care going forward was noted, along with the possible reduction in funds to the Council in the future as money was redirected to authorities that provided that service. It was confirmed that this would be included in future budget plans.

A comment was made in relation to the lack of reference to how future service provision to the community would be affected by budget reductions alongside the financial challenges. The Head of Finance explained that currently the Journey to Self Sufficiency Programme aimed to make savings that did not have an impact on services to the community, should that change in the future then it would be reported. It was requested that in future reports this be referenced even if there was no change to the provision of services at the time.

A concern was raised that a lot of reliance was being placed on the Journey to Self Sufficiency Fund going forward when there was some deficit within it. The Head of Finance explained that if funds were reduced in accordance with the worst scenario, national government should provide transitional relief that would reduce over time and there were also other nuisances in the scheme. The importance of focusing on obtaining a more sustainable budget over the next few years was reiterated.

It was moved by Councillor J Clarke, seconded by Councillor V Richichi and

RESOLVED THAT:

The conclusion that North West Leicestershire District Council is a going concern and the basis for that assumption be noted.

### **30. PROGRESS OF IMPROVEMENTS IDENTIFIED THROUGH ANNUAL GOVERNANCE REVIEW 2020/21**

The Head of Finance presented the report to Members and no comments were made.

It was moved by Councillor N Smith, seconded by Councillor E Allman and

RESOLVED THAT:

The report be noted.

### **31. TREASURY MANAGEMENT ACTIVITY REPORT APRIL 2021 - DECEMBER 2021**

The Finance Team Manager presented the report to Members.

A point made at a previous meeting was raised again in relation to the possibility of more ethical investments including moving away from fossil fuels. The Finance Team Manager confirmed that it was being investigated as part of the carbon zero programme and an update would be provided to committee as more information became available.

It was moved by Councillor V Richichi, seconded by Councillor J Clarke and

RESOLVED THAT:

The report be approved.

### **32. CORPORATE RISK UPDATE**

The Head of Finance presented the report to Members.

A Member noted that the EU exit risk had been reduced but felt that there should still be something included as there was still the potential for a no deal situation. It was also suggested that the risk of a local government reorganisation not be downgraded as the risk seemed higher when taking into consideration funding gaps as projected for future years.

The Head of Finance thanked Members for the comments and agreed to pass them on to the Risk Scrutiny Group at its next meeting.

It was moved by Councillor N Smith, seconded by Councillor E Allman and

RESOLVED THAT:

The report be noted.

### **33. STANDARDS AND ETHICS - QUARTER 3 REPORT**

The Head of Legal and Commercial Services presented the report to Members and no comments were made.

It was moved by Councillor M Hay, seconded by Councillor E Allman and

RESOLVED THAT:

The report be noted.

**Councillor M Wyatt left the meeting at 6.58pm.**

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.38 pm