

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 20 APRIL 2022

Present: Councillor S Gillard (Chairman)

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

Officers: Mr A Barton, Ms K Beavis, Mrs R Wallace, Mr M Walker and Ms R Haynes

34. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J Clarke and R Morris.

35. DECLARATION OF INTERESTS

There were no declarations of interest.

36. MINUTES

Consideration was given to the minutes of the meeting held on 19 January 2022.

It was moved by Councillor S Gillard, seconded by Councillor N Smith and

RESOLVED THAT:

The minutes of the meeting held on 19 January 2022 be confirmed as a correct record.

37. 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.

38. FUTURE EXTERNAL AUDIT ARRANGEMENTS

The Head of Finance presented the report to Members.

A Member commented that it was unfortunate that the committee were unable to take part in the decision on this occasion and hoped that Members would be consulted in future years.

In response to a question, the Head of Finance confirmed that although the decision was taken to opt into the sector led option for the appointment of external auditors, it did not prevent the option to opt out in the future. It was also noted that the process was completely sector led and had its own auditing arrangements.

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

Chairman's initials

RECOMMENDED THAT:

Council endorse the decision made to accept Public Sector Audit Appointments (PSAA) invitation to opt into the sector led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

39. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report to Members.

In response to a question, the Audit Manager confirmed that there was nothing untoward as to why several recommendations were still outstanding. It was noted that regular contact was made with Team Managers and a brief explanation was given as to the delays in completing the recommendations.

Concerns were raised in relation to the overdue safeguarding recommendations for the Modern Slavery Statement, it was felt that this should be given priority to be completed. It was agreed for the Audit Manager to pass the committee's concerns in relation to the delay of the recommendation to the Team Manger and to provide a further written update to Members outside of the meeting.

Following a request from a Member, the Head of Legal and Commercial Services confirmed that there had been one incident of slavery reported in the district, which had been included within the Standards and Ethic Report included on the agenda. It was noted that the case was being investigated with officers and relevant authorities and acknowledged that details could not be shared with Members.

In relation to the 'policies and other considerations' table included as part of all reports, it was commented that often the correct information was not included, and officers were asked to address this going forward.

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

RESOLVED THAT:

The report be noted.

40. INTERNAL AUDIT ANNUAL PLAN 2022/23

The Audit Manager presented the report to Members.

It was moved by Councillor S Gillard, seconded by Councillor V Richichi and

RESOLVED THAT:

- 1) The report be noted.
- 2) The 2022/23 Internal Audit Annual Plan be approved.

41. CORPORATE RISK UPDATE

The Strategic Director presented the report to Members. An error was noted in relation to risk reference 13, the movement of risk should be recorded as 'stable' rather than 'reduced' as stated.

During discussion, a Member commented that there was no reference within the report to inflation risk, and asked where it fit into the current risk model. The Strategic Director

Chairman's initials

confirmed that it was a consideration and would fall under risk reference 3. It was agreed to take the comment back to risk group and a focus on this area be included in the register moving forward.

In relation to the organisational/financial risk due to the pandemic, detailed at risk reference 14, a Member asked how this would impact on achieving a balanced budget. The Strategic Director reminded Members of the current five-year financial plan which included its own risk management.

In response to a question in relation to service areas effected by staff shortages due to the pandemic, the Strategic Director stated that Waste Services was the only service that had been significantly impacted. Following a request for further information on this impact, Members were signposted to the quarterly monitoring report considered by Corporate Scrutiny which contained more detail.

It was moved by Councillor S Gillard, seconded by Councillor N Smith and

RESOLVED THAT:

The report be noted.

42. TREASURY MANAGEMENT STEWARDSHIP REPORT 2021/22

The Finance Manager presented the report to Members.

Following a question in which ethical and environmental impacts were referred to, it was confirmed that none of the council's investments had any links to Russia. The Finance Manager also informed Members that a report would be presented to Corporate Scrutiny in the coming months with a focus on the environmental impact of the council's investments.

Reference was made to the average investment return rate, which was considerably lower than similar organisations, concern was raised that the investment strategy was too cautious, considering the difference even 0.5% could have on an investment in the current financial climate. The Finance Team Manager informed Members that this would be reviewed in due course now the new Head of Finance was in post, as previous Heads of Service had opted for a very cautious approach to investments. It was also confirmed that the higher return rates were generally due to longer term investments, which was not possible in the past due to the planned capital programmes.

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

RESOLVED THAT:

The report be noted.

43. ACCOUNTING POLICIES AND MATERIALITY 2021/22

The Head of Finance presented the report to Members.

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

RESOLVED THAT:

The draft accounting policies for the 2021/22 financial statements be approved.

Chairman's initials

44. STANDARDS AND ETHICS - QUARTER 4 REPORT

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

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

RESOLVED THAT:

The report be noted.

45. DRAFT MEMBER CONDUCT ANNUAL REPORT

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

It came to light during discussion that Stephen Leary, a parish representative was no longer a member of Measham Parish Council, as detailed within the report. Therefore, steps would be taken by Democratic Services to appoint an alternative representative.

It was moved by Councillor S Gillard, seconded by Councillor V Richichi and

RESOLVED THAT:

- 1) The report be received and noted.
- 2) The authority to make any minor amendments to the report following comments from the Audit and Governance Committee be delegated to the Head of Legal and Commercial Services and Monitoring Officer.

RECOMMENDED THAT:

Council endorse the Member Conduct Annual Report 2021/22.

Councillor M B Wyatt left the meeting at 6.54pm

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.00 pm