

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 27 JULY 2022

Present: Councillor S Gillard (Chairman)

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

In Attendance: Councillors R Johnson

Officers: Mr A Barton, Ms K Beavis, Mrs A Crouch, Ms R Haynes, Mr M Murphy, Mr M Walker, Mrs R Wallace and Miss E Warhurst

External Audit: Mr M SurrIDGE

46. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors R Morris and V Richichi.

47. DECLARATION OF INTERESTS

There were no declarations of interest.

48. MINUTES

Consideration was given to the minutes of the meeting held on 20 April 2022.

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

RESOLVED THAT:

The minutes of the meeting held on 20 April 2022 be confirmed as a correct record.

49. COMMITTEE WORK PLAN

Consideration was given to the committee work plan.

In reference to the 'Review of the Council's Constitution' report scheduled for 28 September, the Head of Legal and Commercial Services confirmed that discussions were being held with the Constitution Working Group which could lead to a change in timetable where the report would be taken later in the year. If that was the case, then the September meeting would not be required, Democratic Services would confirm outside of the meeting.

By affirmation of the meeting it was

RESOLVED THAT:

The committee work plan be noted.

50. STATEMENT OF ACCOUNTS UPDATE REPORT

The Finance Team Manager presented the report to Members highlighting the delay in the publication of the draft 2021/22 accounts due to ongoing issues. Members were reminded that this was a national issue with 50 percent of local authorities also delaying the publication of their accounts.

Chairman's initials

At the request of a Member for more information on the staffing issues highlighted in paragraph 3.2 of the report, the Strategic Director explained that unfortunately there were a number of vacant positions concurrently which took some time to fill due to the challenging recruitment market. Members were reassured that all the posts had now been filled on an interim and permanent basis. Members were also reminded that although this had contributed to the delay in the publication of the accounts, there was still several other issues to be resolved.

It was moved by Councillor N Smith, seconded by Councillor J Clarke and

RESOLVED THAT:

The report be noted.

51. EXTERNAL AUDIT PROGRESS REPORT

The Head of Finance introduced the item and then handed over to the External Auditor to present the report to Members.

In response to a question, the External Auditor assured Members that there was nothing concerning in the 2021/22 accounts at present, but he stressed that the audit was not yet complete.

A concern was raised in relation to the high turnover of staff and the Strategic Director reiterated comments made earlier in the meeting. He added that recruitment was a national issue, particularly in the professional services such as Legal and Planning. A further discussion was then had on the national recruitment problems.

In response to a comment made in relation to the statement in the report that 'present local government audit is under-resourced, undervalued and is not having impact in the right areas', the External Auditor made assurances that investments were being made in his audit teams and they were fully staffed at present. He added that recruitment issues would remain a challenge that was unlikely to be unresolved within the next 18 months, but he was committed to doing all that was possible to assist.

In relation to the current recruitment problems within the Planning Service, a Member questioned how waiting times for the determination of planning applications was being addressed as he had been approached by a constituent on the matter. Officers apologised for any incidents where waiting times were lengthy and asked Members to pass on the details so they could be investigated. It was noted that unfortunately services were being affected by the recruitment problems.

A Member commented that as the discussions indicated the effect the recruitment problems were having on services; this should be included within the 'policies and other considerations' table within the report as a risk.

It was moved by Councillor J Clarke, seconded by Councillor N Smith and

RESOLVED THAT:

The report be noted.

52. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report to Members.

At the request of a Member, the Audit Manager gave further details on the four audit areas that had limited assurance and reassured the Committee that she was satisfied with the work being undertaken by officers to address the issues.

In relation to the asbestos recommendation within appendix one, clarification was sought on the current position as the recommendation seemed to be completed, but the implementation date was not until October. The Audit Manager agreed to consult with the relevant team manager and confirm with the Member outside of the meeting.

A Member referred to the staffing issues identified over several areas and asked why it was not being identified as one of the Council's biggest risks. The Audit Manager confirmed that as it was not an issue over all four of the audit areas, it was difficult to classify it as a high risk. The Strategic Director assured Members that recruitment was a focus for the authority and staffing structures would be reviewed in the coming months with an emphasis on 'growing our own'. It was noted that the authority was being as agile and flexible as possible with recruitment, but the reality was that it was currently a very difficult market.

Due to the amount of discussion had during the meeting on the labour market and the impact on recruitment, the Head of Human Resources and Organisational Development explained that the authority had a good benefits package and the authority's employment offer was being reviewed regularly to compete with other local authorities and the private sector. It was also noted that there was a good apprenticeship programme in operation.

In relation to the audit recommendations for staff training, the Head of Human Resources and Organisational Development gave an explanation on the current management development programme and the emphasis on staff training. He assured Members that the specific areas of training identified within the report would be addressed.

A Member commented on the importance of the asbestos and fire alarm recommendations and asked if there was an opportunity to move resources from other areas to fill the gaps in the service. The Strategic Director assured Members that work was underway and that the recommendations related to processes rather than the checks themselves. The team were currently catching up with the workloads and regular meetings were held to ensure work was on track. Unfortunately, resources could not be moved due to the technical nature of the work that required qualifications to carry out.

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

RESOLVED THAT:

The report be noted.

53. INTERNAL AUDIT ANNUAL REPORT

The Audit Manager presented the report to Members.

It was moved by Councillor E Allman, seconded by Councillor J Clarke and

RESOLVED THAT:

The report be noted.

54. CORPORATE RISK UPDATE

The Strategic Director presented the report to Members.

In response to a query on the risk ratings, the Strategic Director clarified that a rating of stable meant that there was no movement since the last report. In relation to the discussions had on the recruitment issues, it was noted that it was included as a risk but had to be considered in context as the number of vacant posts was approximately 30, which as the workforce was made up of approximately 500 members of staff, meant it was not a high risk. Further discussion was had on the impact of the recruitment problems and the Strategic Director agreed to look at how this risk was presented within the register for the next meeting.

Following a comment in relation to risk reference 4 – Legal/Financial, the Strategic Director agreed to reconsider the wording regarding the modern slavery cause.

Some concern was raised that not enough had been done to properly mitigate the risks following the UK's departure from the European Union which could lead to unprepared for situations. The Strategic Director assured Members that currently the risk was well managed as could be in the current climate when much was still unknown. It was also noted that with other impacts such as the economic downturn and the war in Ukraine, it was difficult to decipher the full effect of 'Brexit'.

It was moved by Councillor S Gillard, seconded by Councillor C Benfield and

RESOLVED THAT:

The report be noted.

55. TREASURY MANAGEMENT ACTIVITY REPORT - QUARTER 1

The Finance Team Manager presented the report to Members.

A Member commented on the very slow progress of the net carbon target as it was raised by the committee approximately three years ago and not being reviewed until 2023/24. The Finance Team Manager explained that the current strategy was restrictive, and the ongoing work was to improve that. It was also noted that officers were looking at all investments to ensure they were carbon neutral.

It was clarified that the statement in relation to the inflationary pressures due to the invasion of Ukraine had been provided by the Council's treasury advisors.

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

RESOLVED THAT:

The report be approved.

56. ANNUAL REVIEW OF CORPORATE GOVERNANCE POLICIES

The Head of Finance presented the report to Members.

In response to a question in relation to the effectiveness of the policies, Members were assured that they were embedded into management training at all levels and included into employment contracts. All policies were also available to view and complete online. It was confirmed that the effectiveness was difficult to measure and that a record was not kept for all policies. However it was noted that some instances of policies being used, such as whistleblowing, were reported to the Audit and Governance Committee.

In response to a suggestion that reviews of the policies be undertaken by other local authorities rather than in-house, the Audit Manager explained that they were standard policies that were compared with neighbouring authorities as good practice.

The Chair thanked the Members for their contributions and confirmed that comments would be presented to Cabinet when considering the report.

57. STANDARDS AND ETHICS REPORT - QUARTER 1

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

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

RESOLVED THAT:

The report be noted.

Councillor C Benfield entered the meeting at 6.32pm

Councillor M B Wyatt left the meeting at 7.02pm

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.47 pm