

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 24 APRIL 2024

Present: Councillor D Everitt (Chair)

Councillors P Moulton, D Cooper, G Rogers, J G Simmons, R Sutton and A Barker

Officers: Ms K Beavis, Ms K Hiller, Miss E Warhurst, Mr T Devonshire, Mr P Stone, Mr S Outama and Mrs D Harris

External Audit: Mr M Surridge

33. APOLOGIES FOR ABSENCE

Apologies were received from Councillor N Smith and R Boam.

34. DECLARATION OF INTERESTS

There were no interests declared.

35. MINUTES

Consideration was given to the minutes of the meeting held on 24 January 2024.

It was moved by Councillor R Sutton, seconded by Councillor J Simmons, and

RESOLVED THAT:

The minutes of the meeting held on 24 January 2024 be confirmed as an accurate record of proceedings.

36. COMMITTEE WORK PLAN

Consideration was given to the inclusion of any items on the work programme.

37. EXTERNAL AUDIT UPDATE

The Strategic Director of Resources presented the report, in conjunction with a representative from Mazars.

A Member suggested that to call the delay in the auditing of the accounts solely a national issue was to decontextualise and perhaps to obfuscate. The Council was, he said, one of a very small number of local authorities which appeared to have no draft accounts to audit for 2021/22 and 2022/23, putting aside the national problems in the audit industry. Furthermore, many of the Councils in the same position were ones which had attained national infamy due to financial problems in recent years.

The Strategic Director of Resources declined to comment on the position of other local authorities. With regards to NWLDC he informed Members that the 2020/21 statement of accounts had experienced delays, particularly in relation to property, plant, and equipment. This had significantly affected the completion of the outstanding accounts for 2021/22 and 2022/23. Additionally, the finance team had faced capacity issues. Moreover, resources also had to be used towards other financial priorities, such as budget setting.

In response to the member reiterating his concern, the Strategic Director responded that the Council was committed to publishing the accounts and presenting them to the Audit and Governance Committee.

Chairman's initials

The representative from Mazars said that the External Audits would provide a value for money opinion on the delayed accounts by 31 October 2024. He expected to produce a disclaimer opinion, which expressed confidence on aspects where it could and then considered the value of the information they had as a totality. The Director added that a disclaimer opinion did not necessarily indicate significant financial reporting or financial management issues.

The Member was concerned that this would have a reputational impact. The representative from Mazars accepted that the situation was not ideal, but advised that the Council was not an outlier, and local authorities were relatively safeguarded against reputational damage in this area compared to, say, a corporation.

A Member asked whether draft unaudited accounts were typically published. The Strategic Director of Resources noted that prior to the Coronavirus period the Council had a very good track record of publishing accounts on time and audited, and that the organisation strived to adhere to the CIPFA code. He would write to the Chair and the rest of the Committee to clarify the regulations around publishing draft unaudited accounts, as well as providing further detail in respect of the reasons for the delays.

It was moved by Councillor J Simmons, seconded by Councillor A Barker, and

RESOLVED THAT:

The report be noted.

38. SIRO (SENIOR INFORMATION RISK OFFICER) ANNUAL REPORT

The Head of Legal and Support Services and Monitoring Officer presented the report, with assistance from the ICT Team Manager and the Legal Team Manager.

A Member welcomed the report and praised the work done.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

39. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2023/24

The Strategic Director of Resources presented the report.

The Deputy Chair thanked Officers for supporting the Committee through their first year as Members of the Audit and Governance Committee, and other Members concurred.

Councillor R Sutton said that he would be abstaining, due to the issues with the external audit, and requested that it be recorded in the minutes.

It was moved by Councillor G Rogers, seconded by Councillor J Simmons, and

RESOLVED THAT:

The draft report be approved prior to submission to Council on 18 June 2024.

40. DRAFT MEMBER CODE OF CONDUCT ANNUAL REPORT

Chairman's initials

The Head of Legal and Support Services and Monitoring Officer presented the report.

It was moved by Councillor A Barker, seconded by Councillor P Moulton, and

RESOLVED THAT:

1. The draft Member Code of Conduct Annual Report 2023/24 be noted.
2. Authority be delegated to the Head of Legal and Support Services and Monitoring Officer to make any minor amendments to the report following comments from the Audit and Governance Committee.
3. Council be recommended to endorse the Member Conduct Annual Report 2023/24.

41. INTERNAL AUDIT PLAN 2024-25

The Audit Manager presented the report.

A Member asked whether the Audit Manager was content with the support she was receiving and the capacity of her Team, and in response she said that the Team was now fully recruited to, although this did include an Officer on maternity leave, but her Audit Plan accounted for this, and she was confident moving forwards.

Members then discussed the auditing of Key Financial Systems. The Audit Manager advised that they were always part of the Audit Plan and set out exactly how this had operated in recent years. She said that she would write a note for the Committee to clarify this in greater detail.

It was moved by Councillor R Sutton, seconded by Councillor P Moulton, and

RESOLVED THAT:

1. The report be noted,
2. The 2024/25 Internal Audit Plan be approved.

42. ANNUAL GOVERNANCE STATEMENT 2021/22 AND 2022/23

The Strategic Director of Resources presented the report.

It was moved by Councillor A Barker, seconded by Councillor J Simmons, and

RESOLVED THAT:

The report be approved.

43. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report.

A Member felt that where progress against the plan had not been made it should be more clearly highlighted.

It was moved by Councillor R Sutton, seconded by Councillor P Moulton, and

RESOLVED THAT:

The report be noted.

Chairman's initials

44. CORPORATE RISK UPDATE

The Strategic Director of Resources presented the report.

A Member asked whether staff were continuing to leave the organisation in significant numbers and whether this contributed to the increased risk.

The Strategic Director of Resources advised that the Council was operating in a challenging national context, but staffing was something which the Corporate Leadership Team recognised as a key priority. He would also consider how best to feed in these other ongoing discussions about staffing, by the Corporate Leadership Team and at other Committees, into future Risk Workshops.

It was moved by Councillor J Simmons seconded by Councillor A Barker, and

RESOLVED THAT:

The report be noted.

45. QUARTER 3 TREASURY MANAGEMENT ACTIVITY REPORT

The Strategic Director of Resources presented the report.

A Member was pleased to see the good financial performance reported.

A Member asked about the loan of £5 million to Birmingham City Council and whether it had been impacted by the S114 Notice which Birmingham City Council had issued in Autumn 2023. In response, the Strategic Director of Resources advised that since the end of Quarter 3, this loan had been paid off without delay and there were no further outstanding loans with Birmingham City Council.

It was moved by Councillor R Sutton, seconded by Councillor J Simmons, and

RESOLVED THAT:

1. The Treasury Management 2023-24 Quarter 3 Activity Report (Appendix A) be noted.
2. The Prudential Indicators 2023-24 Quarter 3 Update (Appendix B) be noted.

46. STANDARDS AND ETHICS REPORT - QUARTER 4

The Head of Legal and Support Services and Monitoring Officer presented the report.

It was moved by Councillor R Sutton, seconded by Councillor G Rogers, and

RESOLVED THAT:

The report be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.47 pm