

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 7 AUGUST 2024

Present: Councillor P Moulton (Chair)

Councillors D Everitt, R Boam, D Cooper, J G Simmons, N Smith, R Sutton and A Barker

In Attendance: Councillors J Legrys

Officers: Mr A Barton, Ms K Beavis, Mrs A Crouch, Miss E Warhurst, Mr T Devonshire, Mr P Stone, Ms J Rochelle and Mr S Outama

External Audit: Ms H Parks

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor G Rogers.

2. DECLARATION OF INTERESTS

There were no interests declared.

3. MINUTES

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

A discussion was had about the minutes. It was accepted that they were an accurate record of proceedings, but a Member felt the reference to the Council's reputation by the representative from Mazars during the debate on item 37 was inappropriate. The Strategic Director of Resources reiterated the dedicated plan of the Council to deal with the statement of accounts backlog, how this had been communicated to Members, and how this was coordinated between Officers and the external auditors. The Council had published the 2021/22 accounts at the end of the previous quarter, were committed to publishing the 2022/23 accounts by the end of September 2024, and were confident that the Council would be in a position to comply with statutory deadlines when auditing the 2024/25 accounts.

In response to a Member, Officers explained that the standard practice for minutes was not to record abstentions on votes, unless a Member had requested for their abstention to be recorded.

A representative from Azets set out for the Committee how the historical issues with the backlog would impact the Audits for 2023/24 onwards and the timeline for resolving them.

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

RESOLVED THAT:

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

4. COMMITTEE WORK PLAN

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

Chairman's initials

A discussion was had about the Annual Governance Statement report scheduled to be presented to the Committee in November. The Strategic Director of Resources affirmed that this was still the envisaged timetable for that report.

5. ANNUAL AUDIT OPINION

The Audit Manager presented the report.

In response to a Member, the Audit Manager advised that the Audit planning process entailed selecting what was required to be audited on the basis that these were areas of heightened risk and concern. This was discussed with the Corporate Leadership Team who also expressed which areas they would like to be audited, again based on the level of risk. The nature of this process therefore went some way towards explaining the number of limited assurances received.

A Member expressed significant concern at the 14 out of 17 limited assurances.

In response to a Member, the Audit Manager affirmed that there had been no constraints on her auditing. She advised that management could respond and if necessary challenge findings, but this was appropriate and in accordance with standard internal auditing procedures.

A Member asked about staffing and audit coverage and if it had impacted the process. The Audit Manager said that some agency staff had been employed in the final quarter so to complete the audits; this was reflective of recruitment issues, and the audit plan would not have been completed without agency staff.

It was moved by Councillor R Sutton, seconded by Councillor A Barker, and

RESOLVED THAT:

The report be noted.

6. MANAGEMENT RESPONSE TO ANNUAL INTERNAL AUDIT OPINION 2023/24

The Strategic Director of Resources presented the report.

A Member expressed disappointment at the lack of remuneration being offered to the prospective Independent Member and felt that this did not reflect the struggle to recruit to the role. Officers said that the advert for the role had just gone back out, and should it be unsuccessful again, the question of remuneration would be considered as part of planned work on Members allowances which would be presented to the Independent Remuneration Panel and then full Council.

A discussion was had about what cultural changes could and would be made throughout the Council to respond to two years of limited assurances. The Strategic Director of Resources said that there was a concerted focus on addressing the issues raised, including around recruitment and retention, recovering from Covid, and reflecting on the findings of the LGA peer review. He emphasised, nevertheless, that the Council does have strong governance arrangements in place.

A discussion was had about requesting that the Chief Executive be invited to appear before the Committee, and Officers affirmed that, yes, the Committee did have the power to do this.

It was moved by Councillor R Sutton, seconded by Councillor A Barker, and

Chairman's initials

RESOLVED THAT:

The report be noted.

7. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report.

The Chair invited the IT Team Manager to respond to the questions of the Committee.

Members asked about the Council's data exchange policy and the security of having that operate as a shared service. The IT Team Manager advised that transfer between partners was secure and always subject to appropriate legal guidance.

The Chair invited the Strategic Director of Communities and the Head of Housing to respond to the questions of the Committee, regarding various aspects of the Housing Service.

Members discussed the timelines for responding to recommendations and how they would be prioritised. The two Officers said that the timelines had been coordinated with the Audit Manager and they commended the input of the Audit Team. They also said that as many recommendations pertained to statutory requirements, it would not be appropriate to hierarchically prioritise them as they all had to be implemented.

Members and the two Officers then discussed asbestos management. The Officers set out the contract management changes, the changes implemented to registers utilised and contractors employed, and advised that the Council had recently managed to recruit a Compliance Team Leader to manage asbestos related issues. They also set out the new system of rolling audits which had recently been put in place, and noted the increased focus on greater communication with tenants, such as the roll-out of pop up events.

In response to a Member, the Audit Manager advised that that there were no overdue recommendations, but some extensions had been granted.

It was moved by Councillor P Moulton, seconded by Councillor JG Simmons and

RESOLVED THAT:

In pursuance of Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that the business to be transacted involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and that the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

A discussion was had.

The Committee exited private session.

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

RESOLVED THAT:

The report be noted.

8. REVIEW OF CORPORATE GOVERNANCE POLICIES

The Strategic Director of Resources presented the report.

Chairman's initials

The Chair thanked Members for their comments which would be presented to the Cabinet on 24 September 2024.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.03 pm