

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 25 SEPTEMBER 2024

Present: Councillor P Moulton (Chair)

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

In Attendance: Councillors

Officers: Mrs A Crouch, Miss E Warhurst, Mr T Devonshire, Mr P Stone and Ms B Leonard

External Audit:

17. APOLOGIES FOR ABSENCE

Apologies were received from Councillor R Boam.

18. DECLARATION OF INTERESTS

There were no interests declared.

19. MINUTES

Consideration was given to the minutes of the meetings held on 7 August 2024 and 22 August 2024.

It was moved by Councillor N Smith, seconded by Councillor A Barker, and

RESOLVED THAT:

The minutes of the meetings held on 7 August 2024 and 22 August 2024 be confirmed as accurate records of proceedings.

20. COMMITTEE WORK PLAN

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

21. REVIEW OF THE COUNCIL'S ARRANGEMENTS FOR DEALING WITH COMPLAINTS ABOUT COUNCILLORS

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

In response to a question about a complaint which had related to the determination of a planning application, the Monitoring Officer clarified that a complaint needed to relate to matters covered by the Code of Conduct and not simply that the complainant was unhappy with the outcome of an application. Once received, a complaint was considered against the initial tests to see whether it could progress.

Members discussed concerns around public behaviour towards them in certain, rare circumstances. The Monitoring Officer advised that a piece of work around LGA good practice and the 'debate not hate' campaign was being worked on by Officers currently, and would be presented to Members in due course.

The Chair of the Governance Working Group advised that a large part of the work was around clarifying terminology, tidying up minor errors, and reconciling inconsistencies.

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She thanked Officers for assisting the Governance Working Group and the rest of the Committee concurred.

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

RESOLVED THAT:

1. The work of the cross-party working group in conducting the review of the arrangements for dealing with complaints about Councillors be noted
2. The proposed amendments to the arrangements summarised in the report and at appendix A, and illustrated at appendix B, and the proposed changes to the flowchart at appendix C be considered.
3. The amendments to the arrangements and flowchart be recommended to Council for adoption at its meeting on 5 November 2024, for adoption with effect from 6 November 2024.
4. Council be recommended to delegate authority to the Monitoring Officer to update the Constitution to give effect to the amendments required as a consequence of reviewing the arrangements, as set out at appendix D.

22. EXTERNAL AUDIT PROGRESS REPORT - 2021/22 STATEMENT OF ACCOUNTS

The Strategic Director of Resources introduced the report, before handing over to a representative from Mazars.

The Chair noted that the strategy of the Council was one which had been recommended by the new central Government, so to enable the audit system to refocus on recent accounts, as set out in a letter from the Minister for Housing, Communities and Local Government which the Strategic Director had shared with the Committee. The letter was published as an additional paper and was available for Members at the meeting. It described the Government's approach in addressing the backlog of audit delays referencing the legislation that has now been laid before Parliament and confirms the backstop dates for financial years up to and including 2027/28.

A discussion was had about the how the Council's backlog of Statement of Accounts compared regionally and nationally. The Strategic Director of Resources advised that a significant proportion of local authorities were in a similar position to the Council, but he would clarify the precise details and share the most up to date figures with the Committee outside of the meeting.

It was moved by Councillor JG Simmons, seconded by Councillor N Smith, and

RESOLVED THAT:

The report be noted.

23. STATEMENT OF ACCOUNTS 2021/22

The Strategic Director of Resources presented the report.

A discussion was had about the nature of the backlog. The Strategic Director of Resources reiterated previous communications on the matter, and said he would share them with the new Member of the Committee. He then concisely set out the specific technical problems which had hampered the 2021/22 accounts, and the culmination of structural issues which had hampered local authorities and the audit sector nationally.

In response to a Member, the Strategic Director of Resources clarified that Mazars would be present in December to give opinions on the 2021/22 and 2022/23 accounts in

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December. These would be modified or disclaimer opinions as opposed to qualified or unqualified.

The representative from Mazars added that the formal opinions on the accounts were always given at the end of the sign off process. They were still awaiting some guidance on how to give opinions on the backlogged accounts matter from central Government. Further guidance would be set out for Members at the meeting on 9 December 2024.

A discussion was had about the implications of voting for the recommendations of the report. The Strategic Director of Resources advised that by putting the Statement of Accounts before the Committee he was formally endorsing them as 'a true and fair' view which had followed appropriate codes of practice. The Statement of Accounts presented to the Committee in the report were effectively a draft and unaudited set of accounts; if they weren't signed off they would be presented again in December with the Mazars opinion. This was in keeping with the 'backstop' process as set out by Government to rebuild assurances.

A discussion was had about the 2022/23 Statement of Accounts. The Strategic Director of Resources advised that the Finance Team was currently finalising the 2022/23 accounts and their publication was imminent; the Committee would have sight of them ahead of the December meeting.

Members discussed deferring the vote until December committee. A Member voiced a range of concerns he had with voting for the recommendations, such as there being no input from Mazars, no Statement of Going Concern and no Value for Money opinion. He was also concerned with the staff turnover since 2021/22, including that the current Section 151 Officer had not been in place for the period, and recent internal audit reports had highlighted concerns regarding the finance systems and processes, which had received limited assurance.

The representative from Mazars advised that deferral would reduce the time available to issue the disclaimer opinion ahead of the crucial 13 December 2024 deadline. Nevertheless, he emphasised that it was for the committee to decide how to proceed.

Councillor R Sutton moved a motion to defer approving the recommendations within the report; it was not seconded.

The Chair summed up the discussion, concluding that the Committee should keep this process of moving forwards. Most Members concurred.

The representative from Mazars noted added that the rebuilding assurance phase, with new auditors, would begin after the 2021/22 and 2022/23 Statement of Accounts backlog was resolved. The national audit system was being reset and assurances would be forthcoming.

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

RESOLVED THAT:

1. The annual Statement of Accounts 2021/22 be approved.
2. The Chair of the Committee be authorised to sign the Statement of Accounts 2021/22.
3. Authority be delegated to the Committee Chair and the Section 151 Officer to approve any minor non-material amendments, as agreed with the external auditors, to the Statement of Accounts 2021/22 on behalf of the Committee.

The meeting commenced at 6.30 pm

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The Chairman closed the meeting at 7.37 pm