

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 26 MARCH 2014

Present: Councillor T Neilson (Chairman)

Councillors J Cotterill, D De Lacy, D Everitt, A C Saffell, N Smith and R Woodward

In Attendance: Councillors

Officers: Mr P Padaniya, Mrs R Wallace, Miss E Warhurst and Miss A Wright

External Audit: Ms S Brown

30. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Bridges, G Jones and C Large.

31. DECLARATIONS OF INTEREST

There were no declarations of interest.

32. MINUTES

Consideration was given to the minutes of the meeting held on 11 December 2013.

It was moved by Councillor T Neilson, seconded by Councillor R Woodward and

RESOLVED THAT:

The minutes of the Audit and Governance Committee held on 11 December 2013 be approved as a correct record and signed by the Chairman.

33. STANDARDS AND ETHICS - QUARTER 3 REPORT

The Monitoring Officer presented the report to Members.

Councillor D De Lacy asked if the Local Government Ombudsman complaint referred to in the Development Control service area was an Istock application. The Monitoring Officer was not able to confirm this but agreed to find out and pass the information on to Councillor D De Lacy.

It was moved by Councillor T Neilson, seconded by Councillor R Woodward and

RESOLVED THAT:

The report be received and noted.

34. DRAFT MEMBER CONDUCT ANNUAL REPORT 2013/14

The Monitoring Officer presented the report to Members.

Councillor D De Lacy referred to the eight complaints received and asked if it was a reduction in number from the previous year. As the Monitoring Officer did not have the information at the meeting, she agreed to forward it on to all Members of the Committee at their request.

Chairman's initials

Councillor R Woodward asked that future reports include more information on the nature of the complaints so that Members could understand the context. The Monitoring Officer agreed.

It was moved by Councillor T Neilson, seconded by Councillor D De Lacy and

RESOLVED THAT:

- 1) The Draft Member Conduct Annual Report 2013/14 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 Support Services and Monitoring Officer.
- 3) Council be recommended to endorse the Member Conduct Annual Report 2013/14.

35. NOMINATION OF PARISH MEMBERS

The Monitoring Officer presented the report to Members.

Councillor D De Lacy expressed his disappointment that only three nominations had been received from the Parish Councils and asked what the appointment process involved. The Monitoring Officer explained that all Parish Councils were written to with information and were asked to put forward nominations. She confirmed that a similar response had been received during previous recruitment requests.

Councillor R Woodward concurred that he was disappointed with the low response rate and asked if the Parish Representatives had been used yet. The Monitoring Officer responded that as yet, a complaint had not reached the stage where a Parish Representative was required. Councillor R Woodward commented that he did not believe that the new process was as structured as it was previously and that Members were sometimes left uninformed. The Monitoring Officer commented that there were pros and cons to the system but it did help resolve more complaints informally.

In response to a question from Councillor N Smith, the Monitoring Officer explained that Parish Councils were not limited to the number of nominations they could put forward and she would check the correspondence sent out to make sure that was clear.

Councillor N Smith pointed out that one of the nominations used to be an employee of the Council and asked if this mattered. The Monitoring Officer confirmed that this was not an issue as he would be representing the Parish Council on the Committee.

Councillor T Neilson also expressed his disappointment at the low response rate.

It was moved by Councillor T Neilson, seconded by Councillor R Woodward and

RESOLVED THAT:

The following be appointed as Parish Representatives on the Audit and Governance Committee:

Kelly Grove
Robert Martin
Susan McKendrick

Chairman's initials

36. EXTERNAL AUDIT PLAN 2013-14

Ms S Brown, External Auditor, presented the report to Members, and confirmed that the final audit would be conducted in August and then reported to the Committee in September.

Councillor N Smith asked what the impact would be once the Government removed the requirement to match employee pension contributions. Ms S Brown explained that the pension deficit would be reduced but it would not impact on the audit work undertaken.

Councillor D De Lacy asked why there was a high risk of data being inaccurate with regards to pensions. Ms S Brown explained that at the valuation each pension contribution has to be inspected which meant a large amount of data and therefore a higher risk for human error. This was why the data was tested to assist in making the process more accurate.

In response to a question from Councillor T Neilson, Ms S Brown confirmed that a proportion of work was still being undertaken by an offshore company.

Councillor N Smith asked that as the Authority was doing well, should the fee to KPMG be reduced. He confirmed that he had asked this question previously but had not been given a response. Ms S Brown explained that the Audit Commission had originally set the fees and this had been carried over to KPMG. She also stated that KPMG would be able to influence the fees charged in a few years time.

It was moved by Councillor T Neilson, seconded by Councillor N Smith and

RESOLVED THAT:

The External Audit Plan for 2013-14 be approved.

37. PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS) UPDATE REPORT

The Senior Auditor presented the report to Members.

It was moved by Councillor T Neilson, seconded by Councillor N Smith and

RESOLVED THAT:

The report be noted.

38. INTERNAL AUDIT PROGRESS REPORT APRIL 2013 - FEBRUARY 2014

The Senior Auditor presented the report to Members and asked Members to comment on the new format of the report.

Councillor D De Lacy commented that he had difficulty in assessing the importance of some of the audits and asked that the report include more information in future. He also raised concerns regarding continuous missed target dates and asked how this could be addressed. The Senior Auditor agreed that more information could be included. She also explained that the missed targets for the audits were the responsibility of the Service Manager and she was aware that a new process was being introduced to keep the Corporate Leadership Team informed.

Councillor T Neilson suggested that an additional column be added to the report with an explanation from the Service Manager as to why the target date had been missed. The

Committee concurred with the suggestion. The Senior Auditor agreed to include this information in future reports.

Councillor R Woodward asked if there was anything that could be done as a Committee regarding the missed target dates. The Monitoring Officer suggested that if Members were not happy with the comments provided by the Service Managers then they could refer it to the Corporate Leadership Team for consideration. Members agreed.

Councillor N Smith queried the allocations audit following a whistle blowing allegation as referred to in the report and asked for further information. The Monitoring Officer explained that as it was a confidential matter, no information could be given but she would however express Members concerns.

It was moved by Councillor T Neilson, seconded by Councillor R Woodward and

RESOLVED THAT:

The report be noted.

39. INTERNAL AUDIT PLAN 2014-15

The Senior Auditor presented the report to Members.

Councillor D De Lacy stated that he would like more time to consider the report and asked if he could submit comments after the meeting. The Senior Auditor agreed and asked Members to send any comments directly to her.

Councillor T Neilson stressed the importance of having resources to cover the areas that needed it.

In response to a question from Councillor D De Lacy, the Senior Auditor explained that risk assessments were carried out to decide which areas to include. She added that the three year plan was referring to how the planning process was carried out in 2013/14; it was the priority of the audits which was decided through the risk assessment process. Councillor D De Lacy also requested a copy of the risk assessment scoring matrix.

It was moved by Councillor T Neilson, seconded by Councillor R Woodward and

RESOLVED THAT:

- 1) The report be noted.
- 2) The Internal Audit Plan 2014-15 be approved.

40. TREASURY MANAGEMENT ACTIVITY REPORT - APRIL 2013 TO FEBRUARY 2014

The Finance Team Manager presented the report to Members.

Councillor D De Lacy commented that the investments were mainly short term and asked if there were any opportunities for more long term investments with a higher interest rate. The Finance Team Manager explained that the Authority did have some long term investments whenever the cash flow could facilitate this. In response to a further question, the Finance Team Manager confirmed that most of the borrowing was at a fixed rate.

In response to a question from Councillor N Smith, the Finance Team Manager clarified that at the moment investments were for periods of over three months but he was currently looking into investments for over a 12 month period.

It was moved by Councillor T Neilson, seconded by Councillor J Cotterill and

RESOLVED THAT:

The report be approved.

41. AUDIT AND GOVERNANCE COMMITTEE WORK PLAN 2013 - 14

RESOLVED THAT:

The report be noted.

Councillor A C Saffell arrived at 6.35pm.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.15 pm