

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 6 DECEMBER 2017

Present: Councillor J Cotterill (Chairman)

Councillors R Ashman, F Fenning, D Harrison, S McKendrick and S Sheahan

Officers: Ms T Ashe, Harris, Mr I Nelson, Mr J Newton, Ms A Onwuchekwa, Mrs R Wallace and Miss E Warhurst

External Audit: Mr T Crawley

**20. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors G Hoult and P Purver.

**21. DECLARATION OF INTERESTS**

There were no declarations of interest.

**22. MINUTES**

Consideration was given to the minutes of the meeting held on 27 September 2017.

By affirmation of the meeting it was

RESOLVED THAT:

The minutes of the meeting held on 27 September 2017 be approved as a correct record and signed by the Chairman.

**23. ANNUAL AUDIT LETTER 2016/17**

The Financial Planning Team Manager presented the report to Members highlighting the summary of the audit work undertaken for the 2016/17 year and the annual audit fee of £51,869, which was slightly higher than planned. It was noted that the additional costs totalling £1,347 were incurred as a result of inadequate supporting working papers and errors identified in the Expenditure and Funding Analysis statement and revaluation of Property Plant and Equipment. Work was currently underway to ensure that these issues were rectified and not repeated in future audits.

By affirmation of the meeting it was

RESOLVED THAT:

The 2016/17 Annual Audit Letter be noted.

**24. INTERNAL AUDIT PROGRESS REPORT - OCTOBER 2017**

The Interim Head of Transformation introduced the report and informed Members that a temporary Audit Manager had been successfully appointed to cover maternity leave and would commence in the new year.

The Auditor presented the progress report attached at appendix 1. She explained that three final reports had been issued since the last update report, two were at the drafting stage and two were in progress, she referred to the executive summaries at appendix B.

Chairman's initials

It was reported that work had not identified any significant control weaknesses to draw attention to at this point in time.

At the request of a Member at the previous meeting, the Planning Policy Team Manager gave an update on the unspent Section 106 money. He reported that an initial review of existing unspent Section 106 agreements had been undertaken and the results showed that there were 11 agreements in that position, six related to healthcare, one related to community safety and four were in respect of recreation/open space. Members were informed that officers now met regularly with a representative from the Clinical Commissioning Group and they were aware of the unspent funds. In terms of the other unspent monies, the respective organisations had been contacted to ascertain if any progress had been made and in some cases it appeared that some of the monies had been spent. He concluded that processes and procedures were being developed to ensure that the situation could be avoided in the future.

Councillor S McKendrick commented that the unspent funds by health authorities had been occurring for some time and she was aware that there had been issues in contacting a representative, she asked if the situation had improved. The Head of Planning and Regeneration reported that there was now a representative that had been in place for some time and he felt progress was being made as there had been commitment to spend some of the money. He added that due to this commitment, he was now in a position to begin discussion with the developers.

In response to a question from Councillor R Ashman, the Planning Policy Team Manager explained that of the two Section 106 agreements relating to recreation/open space, one fell under a Parish Council and the other fell under the District Council as it was in the Coalville Special Expenses area.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

## **25. TREASURY MANAGEMENT ACTIVITY REPORT - APRIL TO OCTOBER 2017**

The Financial Planning Team Manager presented the report to Members, drawing attention to the authority's borrowing, debt rescheduling and investments. Members were also informed that the presentational format of the report was under review and that any comments would be welcomed.

Councillor F R D Fenning found it difficult to suggest a format that would make the information more understandable as it was a complicated subject.

By affirmation of the meeting it was

RESOLVED THAT:

- a) The report be approved.
- b) The review of the presentational format of the report be noted

## **26. PROGRESS MADE IN RESPECT OF IMPROVEMENT IDENTIFIED THROUGH THE REVIEW OF THE ANNUAL GOVERNANCE STATEMENT**

The Financial Planning Team Manager presented the report to Members. She explained that as a result of the review, a total of 17 improvement areas were identified where it was

Chairman's initials

recognised that the governance arrangements could be strengthened. Members were informed that out of the 17 improvements two had been completed, eight were underway and the remaining seven were to be included within team business plans for 2018/19. The Financial Planning Team Manager referred Members to the full details of the improvements at appendix 1 of the report.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

## **27. CORPORATE RISK UPDATE**

The Financial Planning Team Manager presented the report to Members, detailing the current proposals for the Corporate Risk Register moving forward. It was proposed that an updated register be produced that clearly stated the specific risks with the causes and impacts more fully described, along with the accountable owners and the timescales for completing the mitigating actions. Members were informed that a newly formatted register and an updated Risk Management Strategy would be presented to the next meeting for approval.

In response to a question from Councillor S Sheahan, the Financial Planning Team Manager explained that she would be looking at how the identified risks would be mitigated and it would be given rating score too. Councillor S Sheahan wanted to understand more about what was generating the risk as well as mitigating actions put in place and asked for such details to be included. The Financial Planning Team Manager took the comments on board.

Councillor S McKendrick was particularly interested in more information in cases where the residual risk has changed and what the results were regarding the impact of the risk. Councillor S Sheahan added that information on whether the risk goes up and down over time would also be useful information.

Councillor D Harrison believed that the Committee had considered a report previously on the safeguarding risk due to the concerns of Members. The Financial Planning Team Manager was unaware of the report but agreed to look into it further and circulate any information found to all Members of the Committee.

By affirmation of the meeting

RESOLVED THAT:

- a) The Quarter 2 Corporate Risk Update be noted.
- b) The updated approach to risk management be approved.

## **28. STANDARDS AND ETHICS – QUARTER 2 REPORT 2017/18**

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

By affirmation of the meeting

RESOLVED THAT:

The report be noted.

**29. AUDIT AND GOVERNANCE COMMITTEE MEMBER TRAINING**

The Financial Planning Team Manager presented the report to Members, adding that shadowing officers was something that could also be arranged for Members if required. She concluded that she would begin the process by contacting Members by email to obtain what kind of training was required before making further arrangements.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

**30. COMMITTEE WORK PLAN**

RESOLVED THAT:

The report be noted.

Councillor F R D Fenning asked if external audit could be requested to look into the staffing issues regarding the leisure service now that the decision had been formally taken to progress with the new leisure centre, resulting in staff being transferred to an external service provider. He raised concerns regarding how the decision would impact on emergency planning and business continuity. The Chairman did not believe that it was a matter for the Audit and Governance Committee as reports would be considered by the Policy Development Group throughout the project.

The External Auditor informed Members that anyone within the District could request a matter be looked into by external audit, assessments would then be made as to whether it fell within their responsibility.

Councillor S Sheahan entered the meeting at 6.42pm.

Councillor D Harrison entered the meeting at 6.45pm.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.01 pm