

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 25 JANUARY 2023

Present: Councillor

Councillors E G C Allman, C C Benfield, J Clarke, M D Hay, R L Morris, V Richichi, S Sheahan and M B Wyatt

In Attendance: Councillors

Officers: Mr A Barton, Ms K Beavis, Mrs A Crouch, Mr G Hammons, K Hiller, Mr M Murphy, Mrs R Wallace, Miss E Warhurst and Ms K Woollett

External Audit:

68. APPOINTMENT OF CHAIR

In the absence of the Chair and Deputy Chair, the Head of Legal and Commercial Services opened the meeting and asked for nominations to Chair the meeting.

It was moved by Councillor J Clarke, seconded by Councillor E Allman and

RESOLVED THAT:

Councillor R Morris take the Chair for the remainder of the meeting.

69. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors S Gillard and N Smith.

70. DECLARATION OF INTERESTS

There were no declarations of interest.

71. MINUTES

Consideration was given to the minutes of the meeting held on 26 October 2022.

It was moved by Councillor J Clarke, seconded by Councillor E Allman and

RESOLVED THAT:

The minutes of the meeting held on 26 October 2022 be approved as a correct record.

72. COMMITTEE WORK PLAN

Consideration was given to the committee work plan.

Members were informed of the rescheduling of the Statement Accounts 2020/21, which were originally planned for this meeting, to a dedicated meeting for this item. It was noted that they would now be considered at an additional meeting scheduled for 15 March 2023, preceded by a member briefing on the 8 March 2023.

No further comments were received.

By affirmation the meeting it was

Chairman's initials

RESOLVED THAT:

The committee work plan be noted.

73. REVIEW OF THE COUNCIL'S CONSTITUTION

As a member of the Constitution Member Working Group, the Chair thanked officers for their hard work undertaking the review as it was not an easy task on such a lengthy procedural document. He now felt that the document was very much improved and much easier to navigate.

The Legal Team Manager presented the report to Members.

Several questions were asked about the draft document. These included a query regarding two differing references to the length of the term of office of the Leader and a query regarding the inclusion of amendments to footpaths in the terms of reference of Planning Committee. The Legal Team Manager agreed to look at these points, provide a response to Members outside of the meeting and make any necessary changes to the draft constitution in readiness for consideration by Council.

A discussion was had on the proposed amendment to the terms of reference of the Audit and Governance Committee. The amendment stated that members would not sit on both Audit and Governance Committee and Scrutiny Committee. Several members of Audit Committee queried why this amendment had been included as they did not feel there was a conflict of interest between the two roles and therefore were not in support of the proposed change. Members were advised that the amendment had been included following guidance published by the Chartered Institute of Public Finance and Accountancy (CIPFA) which recommended that members of the Cabinet and scrutiny committees, as the body that scrutinises Cabinet, should not be members of the Audit Committee. This was to ensure total independence from the decision-making structure of the authority. A concern was raised of the practicality issues this could bring for any political group that did not have enough members to ensure there was not an overlap on committee membership. The Head of Legal and Commercial Services advised that as the proposed changes would come into effect following the district elections in May the proposed changes would not affect the current committee membership. Following the District Elections in May 2023, appointments to Committee would be made in line with the rules on proportionality and this would be something discussed with group whips at that point. The Interim Head of Finance advised the new CIPFA Guidance should be adhered to. Officers agreed to provide a briefing note to members outside of the meeting with further information in relation to the reasoning behind it.

In response to a question, it was agreed to provide further information on Cabinet Support Members outside of the meeting.

It was moved by Councillor J Clarke, seconded by Councillor E Allman and

RESOLVED THAT:

- a) The work of the Working Group in respect of the proposed new constitution be noted.
- b) The new constitution as set out in appendix a, be recommended to Council at its meeting on 23 February for adoption with effect from 9 May 2023.

74. ANNUAL GOVERNANCE STATEMENT 2020/21

The Interim Head of Finance presented the report to Members.

Chairman's initials

No comments were received.

It was moved by Councillor S Sheahan, seconded by Councillor E Allman and

RESOLVED THAT:

The Annual Governance Statement 2020/21 be approved.

75. CORPORATE RISK UPDATE

The Strategic Director presented the report to Members.

The proposal by the Strategic Director to consider including the cost of living and inflation in the register as an individual risk rather than within other risk areas was supported by Members as they felt it was an important matter that affected many. This would be reflected in the next update.

A discussion was had on the progress of the carbon zero targets, during which the Strategic Director confirmed that information would be provided as part of the quarterly performance report considered by Corporate Scrutiny Committee in March. Further discussion was had on risk reference 15 – Social/Political/Reputational-Climate Change/Zero Carbon delivery, it was suggested that the inherent risk rating be reconsidered as it was felt the impact risk should be higher.

It was moved by Councillor R Morris, seconded by Councillor E Allman and

RESOLVED THAT:

That the report be noted.

At the conclusion of this item, Councillor M B Wyatt left the meeting.

76. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report to Members.

No comments were received.

It was moved by Councillor J Clarke, seconded by Councillor V Richichi and

RESOLVED THAT:

The report be noted.

77. TREASURY MANAGEMENT ACTIVITY REPORT - QUARTER 3

The Finance Team Manager presented the report to Members.

In response to a question, the Finance Team Manager confirmed that the authority did not currently lend money to the NHS but advice would be sought from the treasury advisors as to whether this was a viable option.

It was moved by Councillor R Morris, seconded by Councillor E Allman and

RESOLVED THAT:

The report be noted.

78. STANDARDS AND ETHICS REPORT - QUARTER 3

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

No comments were received.

It was moved by Councillor C Benfield, seconded by Councillor V Richichi and

RESOLVED THAT:

The report be approved.

Councillor M B Wyatt left the meeting at 7.00pm

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.07 pm