

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 10 DECEMBER 2014

Present: Councillor J Cotterill (in the Chair)

Councillors A Bridges, D De Lacy, D Everitt, D Howe, C Large, A C Saffell and N Smith

In Attendance: Councillors

Officers: Mr R Bowmer, Mr D O'Nyons, Miss E Warhurst and Miss A Wright

External Audit: Ms S Brown

## **22. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors G Jones and T Neilson.

## **23. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **24. MINUTES**

Consideration was given to the minutes of the meeting held on 24 September 2014.

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

RESOLVED THAT:

The minutes of the meeting held on 24 September 2014 be approved and signed by the Chairman as a correct record.

## **25. STANDARDS AND ETHICS - QUARTER 2 REPORT**

The Head of Legal and Support Services presented the report to Members that three complaints had been received in Quarter Two and, that all three were related to District Councillors. She commented that these complaints were still going through the process of dealing with complaints and there had not been any Sub-Committees-meetings to date.

Members' attention was also drawn towards further information included within the report relating to Freedom of Information requests. Members had expressed an interest in having further information on this statistic at a previous meeting. It was stated that the number of Freedom of Information requests continued to increase year on year despite a fall between quarters one and two.

Councillor D De Lacy asked if there was an explanation for the significant increase in the number of corporate complaints the Council had received, particularly in the Housing Services. This seemed at odds with the information which members' received regarding high levels of customer satisfaction in the Housing Service

The Head of Legal and Support Services informed Members that the Council had seen an increase in the number of complaints regarding work related to the Decent Homes programme and Housing work within the District as a result of the large volume of work that had been undertaken. She said that she will raise Cllr De Lacy's query with the Service and request that he be provided with a response.

Chairman's initials

Councillor N Smith stated that he suspected that some of the complaints that the Council received were most likely unfounded and cited an example where recently a constituent had complained to him that he might have to leave his house for a couple of weeks whilst improvements were made to his home, much to his disbelief.

Furthermore, Councillor N Smith enquired why £500 was paid in compensation to a complainant.

The Head of Legal and Support Services stated that the Council had taken an approach to record all expressions of dissatisfaction as a complaint, to provide an opportunity to look into the issue. She added that sometimes people were unhappy about things the Council had very little control over, a decision that the Council had made or unhappy about the service that they had received;. However the Council still tried to address their concerns. In relation to the compensation paid, the Head of Legal and Support Services failed to recall the particular case, but informed Councillor N Smith that she would find out for him.

RESOLVED THAT:

The report be received and noted.

## **26. ANNUAL AUDIT LETTER 2013/14**

Mrs Sarah Brown, External Auditor, presented the report to Members explaining that the Annual Audit Letter concluded all of the Audit work for the 2013/14 financial year.

Members' attention was drawn to the final page of the report that summarised the fees charged for the year. She highlighted that there was a fee variation of £900, which was not specific to North West Leicestershire District Council, but to all District Councils determined by the Independent Audit Commission attributed to the extra work that was undertaken.

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

RESOLVED THAT:

That the 2013/14 Annual Audit Letter be noted.

## **27. INTERNAL AUDIT PROGRESS REPORT - NOVEMBER 2014**

The Head of Finance introduced the report and informed Members that the Senior Auditor for this period had recently started her new role as Team Leader for Financial Services. He added that a new Senior Auditor had been appointed that would commence work in January.

The Financial Services Team Manager presented the report to Members.

She provided the Audit and Governance Committee with an update on each of the following Appendices included with the report.

Appendix A

The Financial Services Team Manager stated that nine audits had been completed for this financial year and that although there had been some delays, the team would catch up by the end of the financial year.

Chairman's Signature

## Appendix B

Members were informed that Appendix B summarised all Internal Audit Reports between September 2014 and November 2014, and that there were no issues to bring to Members' attention.

## Appendix C

The Financial Services Team Manager stated that Appendix C contained all the outstanding high & medium recommendations and that few had gone over due, however explanations had been provided.

## Appendix D

The Financial Services Team Manager informed Members that all key financial systems were up to date; however non key financial systems were a little behind but they would be resolved by the end of the financial year.

Councillor D De Lacy congratulated The Financial Services Team Manager on recently starting her new role, and enquired whether the organisational changes would impact on the completion of audits. In addition he asked whether the outstanding recommendations were a consequence of a high work load.

In response to Councillor D De Lacy's question, the Financial Services Team Manager informed Members that she was currently performing a dual role until January 2015 and that there would be no impact on the completion of audits as a consequence.

In addition it was stated by the Financial Services Team Manager that there had recently been some internal staffing issues and that they had recently been resolved, however she informed Councillor D De Lacy that she would provide him with more information if he was interested.

Councillor A C Saffell enquired whether the Council's target to reconcile all ICT accounts against Human Resources records would include everyone that worked for the District Council, including contractors and consultants and those given temporary ICT accounts and not only full-time employees.

In response to this enquiry the Head of Finance informed Members that he would look into this with the Team Manager for ICT and make sure a way was found to ensure this check was completed.

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

RESOLVED THAT:

Members note the contents of the report.

## 28. TREASURY MANAGEMENT ACTIVITY REPORT - APRIL TO OCTOBER 2014

The Head of Finance presented the report to Members, explaining that the report was the second of the regular updates this year presented to the Committee as a requirement of the Council's Treasury Management Policy.

Chairman's Signature

He informed Members that the UK's economy was predicted growth of 3.5% in 2014 2.9% in 2015 and that interest rates continued to remain low, and that this was affecting the levels of returns that the Council was achieving.

The Head of Finance stated that the Council had not borrowed between April and October 2014 and drew Members' attention to the investments made during the same period.

Councillor D De Lacy enquired how long ago a maturing loan had been taken out, as the interest rate was particularly high. The Head of Finance explained that the loan would have likely have been taken out between twenty-five and thirty years ago and unfortunately the Council would not have been able to repay it prematurely without paying a penalty.

Furthermore, Councillor D De Lacy asked for a breakdown of all loans that the Council had outstanding. The Head of Finance agreed to the request.

It was moved by Councillor C Large, seconded by Councillor N Smith and

RESOLVED THAT:

The report be approved.

## **29. CORPORATE RISK UPDATE**

The Head of Finance presented the report to Members, reminding the Committee that as part of the Risk Management Strategy approved by Cabinet, regular monitoring information and updates would be presented to the Audit and Governance Committee in addition to Cabinet.

The Head of Finance informed Members that Appendix 1 of the report outlined the Corporate Risk Register and explained how inherent risks were measured and assessed.

Councillor D De Lacy enquired how often are the risks were re-assessed. The Head of Finance responded that as part of the Risk Management System every service within the Council carried out a risk assessment every month that was presented to CLT. There was also a Risk Management Scrutiny Group which was chaired by the Director of Services that also had the ability to escalate risks onto the Corporate Risk Register. He also informed Members that the Corporate Risk Register was also presented to Cabinet every quarter.

It was moved by Councillor A Bridges, seconded by Councillor N Smith.

RESOLVED THAT:

The Audit and Governance Committee notes the Quarter 2 Corporate Risk Update.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 6.56 pm

Chairman's Signature