

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 DECEMBER 2015

Present: Councillor J Cotterill (Chairman)

Councillors R Adams, R Ashman, J Clarke, F Fenning, D Harrison, G Jones and K Merrie MBE

In Attendance: Councillors R Canny

Officers: Mr S Barrett, Mr R Bowmer, Ms L Cotton, Mr D Gill and Mrs R Wallace

External Audit: Mr J Cornett

22. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor A C Saffell.

23. DECLARATION OF INTERESTS

There were no interests declared.

24. MINUTES

Consideration was given to the minutes of the meeting held on 23 September 2015.

It was moved by Councillor R Adams, seconded by Councillor D Harrison and

RESOLVED THAT:

The minutes of the meeting held on 23 September 2015 be approved and signed by the Chairman as a correct record.

25. ANNUAL AUDIT LETTER 2014/15

The Head of Finance introduced the report to Members and invited the External Auditor to address the Committee.

The External Auditor presented the report to Members, drawing their attention to the headline messages which were summarised within the report. He referred to the Audit fee detailed within appendix 2 and highlighted the additional work completed which was over the planned fee.

By affirmation of the meeting it was

RESOLVED THAT:

The 2014/15 Annual Audit Letter be noted.

26. EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE

The Head of Finance introduced the report to Members and invited the External Auditor to address the Committee.

The External Auditor presented the report to Members and confirmed that the certification work on the Authority's housing benefit grant claim was now complete. He explained that the National Audit Office was now responsible for the Code of Audit Practice and

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supporting guidance with regards to the Value for Money programme, and further information would be provided to officers once the revised guidance had been received.

The External Auditor reported to Members that the Department for Communities and Local Government (DCLG) have announced that the audit contracts for large local government bodies would be extended to include the audit of the 2017/18 financial statements, after that point local government bodies would need to appoint their own auditors. Members were informed that other Local Authorities were looking at joining together for the procurement of this service and a report with further information would be sent to the next committee meeting.

Councillor G Jones asked if the Government's suggestion for all Local Authorities to increase their Council Tax by two percent to fund social care would be sufficient. The External Auditor commented that the announcement made was very general and further detail would be needed before an opinion could be formed.

Councillor F R D Fenning referred Members to page 24 of the agenda, which detailed a KPMG/Shelter report regarding the housing shortage and possible rising house prices in the future. He felt that the information included was too general as the house prices and figures were much higher than actual prices in the District, therefore it should not have been included within the report. He believed that the report did not take into account the average wage, did not have any relevance and should not be used to justify anything for this Local Authority, especially the relaxation of planning rules. The External Auditor explained that the report was intended to be general and to promote debate amongst the Committee Members. With regards to the housing price figures, the External Auditor stated that he could not provide an explanation for the calculations as it was done by a housing specialist within the team. He added that the report only contained recommendations for information and he was not suggesting that they were accepted.

Councillor D Harrison felt that the report had provoked debate. He commented that all members knew that more housing was needed as there had been considerable growth nationally. He agreed with Councillor F R D Fenning that the housing prices within the report were a little high for the area but he felt Members needed to consider it for what it was meant to be, for information only.

Councillor J Clarke commented that the key to the issue was to look at why there was a housing shortage to come to a resolution.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

27. INTERNAL AUDIT PROGRESS REPORT - NOVEMBER 2015

The Senior Auditor presented the report to Members, drawing attention to the Executive Summary at appendix B. She referred to the overdue recommendations at appendix C and was confident that the revised dates were achievable. She concluded that the focus would be moving to completing more key financial systems earlier in the year rather than leaving them all until quarter four.

Councillor K Merrie asked for clarification regarding the improvement of cash collection for the Leisure centres as detailed in appendix B. The Senior Auditor explained that it related to the cashing up at the end of each day as the figures were sometimes inaccurate in some of the written records.

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In response to a further question from Councillor K Merrie, the Senior Auditor stated that the full audit reports were available on the Members section on the intranet. She also added that all recommendations were included in appendix D.

In response to a question from Councillor J Clarke, the External Auditor confirmed that the training on fraud prevention and detection to be given by external audit as mentioned in appendix C, would be going ahead in April.

In response to a question from Councillor F R D Fenning regarding the staffing of the Internal Audit Service, the Senior Auditor reported that she was a full time member of staff split between North West Leicestershire District Council and Blaby District Council. There was also a part time member of staff that worked a total of 25 hours per week and a contingency fund for additional help during busy periods if needed. She confirmed that it was sufficient staffing levels for the service now and for the foreseeable future.

It was moved by Councillor R Ashman, seconded by Councillor R Adams and

RESOLVED THAT:

The report be noted.

28. TREASURY MANAGEMENT ACTIVITY REPORT - APRIL TO OCTOBER 2015

The report was presented by the Head of Finance.

It was moved by Councillor K Merrie, seconded by Councillor J Clarke and

RESOLVED THAT:

The report be approved.

29. CHANGES TO THE COUNCIL'S REGULATION OF INVESTIGATORY POWERS ACT (RIPA) POLICY

The Legal Team Manager presented the report to members.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

30. STANDARDS AND ETHICS - QUARTER 2 REPORT

The Legal Services Team Manager presented the report to Members, highlighting the Member complaints received that were currently at the informal resolution stage. He also advised of a two per cent increase in freedom of information requests and a 12 per cent increase in corporate complaints.

Regarding freedom of information requests, Councillor G Jones referred to the 'number withheld due to exemption/fees applied' as detailed within page 89 of the report as asked for an explanation. The Legal Services Team Manager explained that there were a number of exemptions within the Act which meant that the information did not have to be supplied, this was generally regarding sensitive information, for example, legal advice given to Members. Also if the information requested would take more than 18 hours to collate then this falls under an exemption which stated that a charge could be applied to provide the information. In cases such as this the request was often withdrawn.

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Councillor D Harrison commented that he understood the importance of being cost effective but he felt that it was not quite freedom of information if requests were refused or a charge applied. The Legal Team Manager stated that the information that was often requested was readily available on the Council's website but would take a considerable amount of time to collate, this was often the reason freedom of information requests were made.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

31. COMMITTEE WORK PLAN

The Legal Team Manager advised that an additional report would be brought to Committee in March 2016 regarding Information Management.

By affirmation of the meeting it was

RESOLVED THAT:

The Committee Work Plan be noted.

The meeting commenced at 6.30pm

The Chairman closed the meeting at 7.25 pm

Chairman's signature