

HARBOROUGH DISTRICT COUNCIL

MINUTES OF THE AUDIT AND STANDARDS COMMITTEE MEETING

Held in The Council Chamber, The Symington Building, Adam and Eve St, Market
Harborough

On Wednesday 2nd March 2022

Commencing at 6.30pm

Present:

Councillors: Dr Bremner (Chairman), Dunton, Golding, Hollick, Knowles, Nunn and
Mrs Wood

Apologies: Councillor Johnson

Officers: L. Elliott, N. Kwasa, C. Mason, B. Morris,

Internal Auditors (LGSS): R. Ashley-Caunt

External Auditors (Mazars): L. Parsons, M. Surridge

INTRODUCTION

The Chairman welcomed everyone to the meeting and introduced the officers present, and the Members observing the meeting from the public gallery. The Committee introduced themselves.

1. APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

Apologies were received from Councillor Johnson who was substituted by Councillor Knowles.

2. DECLARATIONS OF MEMBERS' INTERESTS

There were none.

3. MINUTES OF THE PREVIOUS MEETING

The Chairman noted that in relation to the Internal Audit Provisions Delegation item, Councillor Johnson had requested a table detailing the comparative costings information in relation to the various options. The Director, Finance, ICT and Assets

confirmed that this question had been answered within the meeting itself. It was therefore,

RESOLVED that the Minutes of the Meeting of the Audit and Standards Committee held on 20th October 2021 be approved and signed by the Chairman as a true record.

4. QUARTER 3 CORPORATE RISK AND OPPORTUNITY MANAGEMENT.

The Interim Chief Executive presented the report, the purpose of which was for the Committee to receive and consider the Council’s Corporate Risk and Opportunity Register at the end of Quarter 3 of the 2021/22 year. She invited questions from the Committee and the following questions and responses were noted;

Question	Response
<p><u>CR 33 Cost of planning appeals and legal challenges weaken the Council’s financial position</u></p> <p>The mitigations mention Members receiving refresher training on planning decision-making on a proportionate frequency – what frequency will this be, and will they be short sessions prior to each Planning Committee meeting, or certain meetings?</p>	<p>The Interim Chief Executive AGREED to clarify this and circulate the information to the Committee in due course.</p>
<p><u>CR 37 Increase in homeless presentations results in an increased demand in Council support for reactive temporary accommodation that exceeds the current budget and weakens the Council’s financial position.</u></p> <p>The mitigations mention the development of the property on Roman Way, subject to planning do we have a time scale on this?</p>	<p>The Interim Chief Executive AGREED to clarify this and circulate the information to the Committee in due course.</p>
<p><u>CV 06 Reduced staff morale, as a result of depleted numbers of workers and uncertainty about the future, leads to mistakes and loss of productivity</u></p> <p>Please could officers expand on this as it impacts on many aspects of the Council</p>	<p>The Interim Chief Executive confirmed that there has been a higher focus on mental health support and staff welfare is being promoted, including the undertaking of staff surveys which did not show any concerns at that time, but this would continue to be monitored and feedback requested. She noted that she</p>

works including Councillors and the general public.	has offered staff the opportunity to come directly to her should they have any concerns or issues to raise. She AGREED to explore the possibility of talking to Members about any mental health support they need.
Is there an opportunity to provide mental health support for Members?	

Following the discussion it was,

RESOLVED That the Committee receives and notes the contents of the Corporate Risk and Opportunity Register at the end of Quarter 3 of the 2021/22 year.

5. REPORT 2: INTERNAL AUDIT – PROGRESS REPORT

The Head of Internal Audit presented the report, the purpose of which was to update Members on progress against the 2021/22 internal audit plan, key findings of audits completed and status of outstanding recommendations. She noted that this was the latest update on the delivery of the current year's internal audit which reflects the progress since that time and that as the report was produced in February there is still some delivery to complete before the end of the financial year. She noted that she had not yet added an additional column to the report about when audits were planned for completion as this would be implemented from the 1st April in the new reporting structure. She invited questions from the Committee and the following questions and responses were noted;

Question	Response
<u>Appendix B: Audit - Development management 2020-21</u> It says in the latest office update there is now a separate internal audit of planning income, does this mean the recommendation no longer applies as there is further work being undertaken?	The officers were looking to await the outcome of the latest audit to inform what they were going to do. That audit has now completed since the report was produced and we are going to agree that the existing recommendation still stands and rather than duplicate with something else it will be supplemented within the existing report for this year.
<u>In relation to the Exempt - Report 6 – Assets Review</u> Can you tell me where your days come from for delivery of special investigation work?	Investigation work is commissioned separately from the internal audit plan, so it does not take up any of the Council's audit days.

Following the discussion it was,

RESOLVED That the internal audit progress report attached at Appendix A and the status of outstanding recommendations at Appendix B be noted.

6. REPORT 3: INTERNAL AUDIT – AUDIT PLAN

The Head of Internal Audit presented the report, the purpose of which was to gain Committee approval of the Internal Audit Plan for 2022/23 in line with the requirements of the Public Sector Internal Audit Standards. She noted that this was looking ahead to April and the start of the new financial year and that the process had been followed as agreed at the previous Audit and Standards Committee in order to reach a risk-based Internal Audit Plan. She noted that the plan remains subject to review to remain responsive to changes in the risk environment and that any changes to the plan would be agreed by the Committee or by Officer Delegated Powers and reported back to the Committee. She invited questions from the Committee and the following questions and responses were noted;

Question	Response
<p><u>Internal Audit Assignments: Managing major projects:</u></p> <p>Is it the intention to keep that as an evolving document so that we are monitoring it all the time? Or is it set in stone and then revisited down the line?</p>	<p>In terms of the scope of the audit, we would be looking at what procedures have been put into place, the robustness of the controls within those procedures and how any recommendations are being applied in practice.</p>
<p><u>Internal Audit Assignments: Agile Working:</u></p> <p>I have spoken to some people who are slightly concerned about the agile working and others who are delighted with it. I wonder if we could have some expansion and comments on that from the officer.</p>	<p>We would be looking to collate feedback on the agile working trial as part of the review to understand how the Council is assessing how it's gone, what needs to change and how that has informed the direction of travel, as well as perhaps sharing some experience or lessons learned from other authorities and how they have dealt with some of those challenges.</p> <p>The Interim Chief Executive also noted that this was a more proactive approach to working with audit so that early intervention and recommendations can be built into the process before it is embedded.</p>
<p><u>Is it classed as a risk that we have lost three very senior managers?</u></p>	<p>The Interim Chief Executive AGREED that she would put this forward for discussion at the next Risk and Opportunities group meeting.</p>

Following the discussion it was,

RESOLVED That the Audit and Standards Committee review and approve the Internal Audit Plan for 2022/23.

7. REPORT 4: EXTERNAL AUDIT – PROGRESS REPORT

The External Auditor presented the report which was a short status report on progress on the 2020/2021 audit as well as the 2021/2022 audit. He noted that in relation to the 2020/2021 audit they had not yet received instructions from the National Audit Office for the work required on the Whole of Government Accounts return, so this remains outstanding, and they were unable to issue a consolidation report until further instructions had been received, which was likely to be July. He noted that this was not unique to Harborough and was affecting all Local Authorities across England.

The Committee had the opportunity to question the External Auditor and it was then,

RESOLVED that the Committee note the External Audit Progress Report.

8. SECTION 100A (4) LOCAL GOVERNMENT ACT 1972

The Chairman then noted that the remaining items on the agenda were suggested to be dealt with under the above legislation, and that to comply with the Act a resolution to exclude the press and public needed to be passed.

Councillor Knowles asked the Chairman to clarify that once the Committee was in private session and the public have been excluded, that the Committee were not looking to exclude Members who are in the public gallery from hearing the debate and discussion on the two exempt items. The Chairman noted that for Report 5, members of the press and public would be excluded from the remainder of the meeting and that for Report 6, in line with Standing Order 22, he would be moving to suspend Standing Orders 25 and 26 of the Council Procedure Rules in the Council's Constitution which, if passed by the Committee, would exclude any remaining people in the room, and this was at the recommendation of Queen's Counsel to keep the confidentiality of items in that report. Councillor Knowles then asked for clarification from the Monitoring Officer regarding this in relation to Section 100F of the Local Government Act as amended and the Local Government Act 2000, Section 21 and Schedule 2 of the Localism Act that Councillors have a right of access to information. The Monitoring Officer confirmed that the Constitution allows for suspension of procedure rules under Standing Order 22 and if it is proposed, seconded, and resolved to suspend Standing Orders 25 and 26, the rules which allow Members outside of the Committee to observe a meeting, would then not apply to that part of the meeting. She confirmed that in this particular case advice sought from Queens Counsel was that there would be a need to use the

suspension powers to have only the Audit Committee present when dealing with that matter.

Following the discussion it was,

RESOLVED that the public and press be excluded from the remainder of the meeting on the grounds that the matters yet to be discussed involve the likely disclosure of exempt information as defined in paragraph 7 of Schedule 12A to the Local Government Act 1972 in relation to Report 5: Exempt: External Audit – VFM Progress Report AND,

RESOLVED that the public and press be excluded from the remainder of the meeting on the grounds that the matters yet to be discussed involve the likely disclosure of exempt information as defined in paragraphs 1, 2,3 and 7 of Schedule 12A to the Local Government Act 1972 in relation to Report 6: Exempt: Assets Review.

9. EXEMPT – REPORT 5 – EXTERNAL AUDIT – VFM PROGRESS REPORT

The Committee considered the External Audit – VFM Progress Report. Following the discussion it was,

RESOLVED that the Committee note the External Audit – VFM Progress Report.

10. EXEMPT - REPORT 6 – ASSETS REVIEW

The Committee considered the Assets Review report and following the discussion it was,

RESOLVED that the Committee notes the report and endorses the recommendations at Appendix 1.

11. ANY URGENT BUSINESS.

There was none.

The Meeting closed at 8.50pm