

HARBOROUGH DISTRICT COUNCIL

MINUTES OF THE GOVERNANCE AND AUDIT COMMITTEE MEETING

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

held on 11th September 2018

commencing at 6.30 p.m.

Present:

Chair: Councillor Rook

Councillors: Johnson and Page.

Officers: N. Proudfoot, S. Riley and P. Storey.

LGSS Internal Audit: T. Croote.

APOLOGIES FOR ABSENCE

An apology was received from Councillor Chapman.

MINUTES

RESOLVED that the Minutes of the Meeting of the Governance and Audit Committee held on the 25th July 2018 be NOTED as only one member present had also been at that meeting.

DECLARATIONS OF MEMBERS' INTERESTS

ANNUAL AUDIT LETTER 2017/18

The Committee considered the External Auditor's Annual Audit Letter 2017/18. The ISA 260 Report from the External Auditor had been received two months earlier than in previous years and had been considered at the last meeting of the Committee, held on 25th July 2018.

Committee NOTED that:

- (i) The cost of the 2017/18 audit is £41,912, which includes an additional sum of £1,061 in relation to additional work required in response to IT issues at the service provider.
- (ii) The External Auditor had identified a significant risk in the Delivery of Financial and Saving Plans but was satisfied that there were adequate arrangements in place during 2017/18 and there were no significant matters relating to these risk areas which prevented the giving of an unqualified Value for Money (VFM) conclusion.
- (iii) No high priority recommendations had resulted from the External Auditor's 2017/18 work.
- (iv) KPMG giving an unqualified Value For Money conclusion, nor were any high priority recommendations raised as a result of the 2017/18 audit. KPMG had issued their certificate on 30th July 2018, confirming that they had concluded the audit for 2017/18 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

The Committee noted that External Audits from 2018/19 onwards would be undertaken by Mazzaars, who had been selected by public tender process. The Section 151 Officer was asked to convey the Committee's appreciation of the relationship which had been established with the previous External Auditor (KPMG) and also thanks to Council staff for their hard work.

RESOLVED that the Annual Audit Letter 2017/18 from the External Auditor (KPMG) be noted.

INTERNAL AUDIT – PROGRESS AND PERFORMANCE UPDATE

T. Croote from LGSS Internal Audit presented the Committee with the current progress against the 2018/19 Plan up to 17th August 2018.

The Committee noted that:

- Just under 50% of the 2018/19 plan was either complete or in progress, with three reports having been finalised, a further four underway and one at the planning stage.
- Six recommendations had been implemented since the last meeting of the Committee.
- Of the five high or medium priority overdue recommendations referred to in Appendix B of the report only three remain outstanding. The two Planning items have been closed down and the Leisure item is expected to be closed shortly.
- The Business Continuity Plan is the only high priority recommendation outstanding and remains a top priority for the Council. The Section 151 Officer confirmed that officers are meeting providers and intend to go to procurement soon, It is anticipated that new arrangements will be in place by the end of 2018. In the meantime, mitigations are in place.
- One internal audit report has been finalised since the last meeting of the Committee, on the Disclosure and Barring Service, as detailed at Appendix A to the report, with key points as summarised below:
 1. Testing confirmed that new employees in eligible posts had been subject to the appropriate checks before their start date and re-checks are being completed in accordance with Council policy. Whilst procedures are operating to ensure new posts are evaluated for DBS eligibility and a spreadsheet of DBS-eligible employees is maintained, there is no clear record of all posts in the establishment for which a DBS check applies. Such a record would assist the bi-annual review by HR and ensure that no posts are missed.
 2. Taxi licencing testing for new and renewed drivers' licences found that, whilst some record keeping omissions were present, procedures were working as intended.
 3. Testing of Operators Licences found that previous DBS checks were being relied upon where a driver's licence had been issued to the same individual in the last 18 months, rather than requiring a new certificate for the operator. It is recommended that this be amended to require up to date evidence on any application, given that such certification is specific to the date of issue. This is the only high priority recommendation in the report.
 4. Whilst the Council complies with most key requirements of the DBS Code of Conduct, there is no 'suitability for ex-offenders for employment' policy which is required by the Code. Arrangements are in place for storage, retention and disposal of DBS data and the Council complies with the Data Protection legislation in this area. Whilst the Council continues to operate as a registered body, counter signatory information should also be checked with the DBS. The Council's leisure contract was found to contain adequate provision for DBS checks of contractor staff.
 5. Internal Audit will follow up the implementations of these recommendations at regular monthly meetings with officers.
 6. Based on those findings Internal Audit has given the following assurance ratings over the management of the associated risks:
 - Control environment – substantial;
 - Compliance – Good; and
 - Organisational impact – minor,

and made four recommendations and agreed an action plan with management for their implementation.

- A number of customer satisfaction questionnaires have now been received and the results will be reported at the next meeting of the Committee.

RESOLVED that the reported performance of Internal Audit, key findings of audits completed and status of outstanding recommendations be noted.

The meeting closed at 6.49 p.m.