

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 20<sup>th</sup> October 2021

Commencing at 6.30pm

Present:

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

Officers: L. Elliott (remote), S. Hamilton, N. Kwasa (remote), C. Mason (remote), N. Proudfoot and V. Wenham.

Internal Auditors (LGSS): R. Ashley-Caunt

INTRODUCTION

The Chairman welcomed everyone to the meeting and introduced the officers present.

1. APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES.

There were none.

2. DECLARATIONS OF MEMBERS' INTERESTS

There were none.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED that the Minutes of the Meeting of the Audit and Standards Committee held on 21<sup>st</sup> July 2021 be approved and signed by the Chairman as a true record.

4. APPOINTMENT OF EXTERNAL AUDITORS

The report was presented by the Director, Finance and Assets and S151 Officer. He noted that there was an error at sections 2.6 and 2.7 and that it should read Option 2 and 3 rather than Option 1 and 2. He highlighted the advantages and disadvantages of each option and noted that the Officer recommendation was Option 1; To recommend to Council that the Council opts in to the appointing person arrangements made by Public Sector Audit Appointments Ltd (PSAA) for the appointment of external auditors. Members requested that for clarity the wording 'Option 1' be added to the recommendation.

Following the discussion it was;

**RESOLVED that the Committee recommend Option 1 to Council that:**

- i. **The Council opts in to the appointing person arrangements made by Public Sector Audit Appointments Ltd (PSAA) for the appointment of external auditors.**
- ii. **Delegates authority to the Director; Finance, ICT and Assets to submit the formal notice of acceptance and provision of information to PSAA as required.**

## 5. INTERNAL AUDIT – PROGRESS AND PERFORMANCE UPDATE

The Head of Internal Audit & Counter Fraud presented the report which detailed the current progress against the 2021/22 Audit Plan.

She noted that since the previous update report, four further audit reports had been finalised, including one from the last financial year which had not been completed at the time of the annual report, which is why it was being reported now. There were currently six overdue recommendations, two of which were overdue by more than three months.

Councillor Johnson asked if in section 2.6 in Appendix A (p.4) 'Community Grants', should also refer to 'un-parished areas.' The Head of Internal Audit noted that this referred to guidance which has been picked up from the relevant policies and that officers may wish to check how this is applied in policies or guidance. Councillor Johnson also noted that the Equal Pay Policy has not been reviewed since 2012. The Director, Law and Governance confirmed that in the last few months review dates for all policies and strategies had been determined and AGREED that she would be working with the Head of Internal Audit to look at this policy alongside others related to ethical governance.

Councillor Golding noted that the Risk Management Assignment in *Table 1 - Progress against 2021/22 internal audit plan*, Appendix A (p.6) there was a big variance in the number of days budgeted for the audit (8), compared to the number of days it had taken (13). The Head of Internal Audit confirmed that this was related to a more junior member of the team conducting the work alongside some benchmarking which had taken place. She noted that it did not impact on the delivery of the Audit Plan and was not charged to the Council but was rather an additional cost to her service plan.

The Chairman noted that Appendix B should refer to the 'Audit and Standards Committee' as opposed to the Governance & Audit Committee. He then MOVED that the Audit and Standards Committee no longer receive information regarding outstanding audits that are low-grade or 'green' in order that they can focus on those which may be an issue ('amber or red'). This was seconded by Councillor Dunton and APPROVED unanimously.

Following 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. QUARTER 1 RISK AND OPPORTUNITY MANAGEMENT, END OF QUARTER ONE, 2021/22

The Deputy Chief Executive presented the report regarding the Council's Corporate Risk and Opportunity Register at the end of Quarter 1 of the 2021/22 year. She noted that the heading 'Corporate Risk' in Appendix A (p.3) had been misplaced and should be sitting one box further down. The report highlighted that at the end of Quarter 1 of the 2021/22 year there were 23 Corporate Risks and seven Corporate Opportunities on the Corporate Risk and Opportunity Register, details of which were included in Appendix A to the report. No new Corporate Risks or Opportunities had been added and eight Corporate Risks were removed from the Corporate Risk and Opportunity Register during Quarter 1 of the 2021/22 year, as detailed in the report. The Deputy Chief Executive noted that Members are now

able to view these details themselves through the Pentana system and that there will be a briefing for Members on this prior to the next Full Council meeting on 13<sup>th</sup> December 2021. The Chairman encouraged the Committee to engage with the system and to ask for officer help in accessing it, if required.

Councillor Dunton asked for clarification on whether the reference to Naseby Close in Appendix A (p.1) should actually refer to Naseby Square. The Deputy Chief Executive AGREED to check this and correct it if necessary.

Councillor Johnson highlighted some examples within the Corporate Risk and Opportunity Register, Appendix A, in which the risk was marked as 'red' and which she felt there was room to look ahead and anticipate short term needs and high priorities. The Director, Finance and Assets noted that in marking the issue as 'red' the risk is recognised and it therefore enables officers to maintain focus, and this is the right approach to take.

Councillor Golding then noted that, following the murder of MP Sir David Amess, he would like to see another risk added to the register concerning personal security for officers and Members and lone working. The Chief Executive noted that regular meetings take place regarding the risk register and AGREED that this item would be considered at the next meeting. He noted that Members had been issued with guidance from the Local Government Association (LGA) and that the Council would be releasing further dedicated guidance to highlight the support Members can access (for example, using Lifeline as a lone working aid). The Director, Law and Governance also noted that there were ongoing discussions with Monitoring Officers across Leicestershire on providing joint guidance and training for Members. Councillor Johnson then thanked the police for approaching Members this week and offering support.

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 1 of the 2021/22 year.**

## 7. LOCAL GOVERNMENT ASSOCIATION MODEL CODE OF CONDUCT

The Director, Law and Governance and Monitoring Officer introduced the report which provided Members with the opportunity to consider the LGA Model Code of Conduct for Members attached as Appendix A and the LGA model Code of Conduct with local amendments attached as Appendix B. She highlighted the differences between the two codes and asked the Committee to consider if either should be recommended to Council for adoption. She AGREED that were one of these recommended then the relevant Appendix would be circulated to all Members electronically to consider before it is presented at the Full Council meeting.

Councillor Dunton noted that, in relation to gifts, there had previously been a display cabinet in which gifts which had been given to Members were on view for the public to see. The Director, Law and Governance AGREED to investigate where this was.

Councillor Johnson noted that it would be useful if in Appendix B, the Seven Principles of Public Life could be referred to as the Nolan Principles. The Director, Law and Governance AGREED to update this accordingly.

Following the discussion it was;

**RESOLVED that Members had considered the Model Codes of Conduct attached as appendices to the report and recommended Appendix B – Local Government Association Model Code of Conduct with local amendments to Council for adoption.**

Councillor Dunton then asked when the Committee would be receiving a report on Naseby Square. The Chief Executive confirmed that the report was taking slightly longer than anticipated to compile and that it will be brought to the first available committee once it has been completed.

The meeting closed at 19.45