

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 23 November 2022, commencing at 6.30pm

Present:

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

Officers: S. Hamilton, C. Mason, L. Elliott, C. Pattinson

Also present:

Cabinet Members – Councillors King (Leader), Bateman (Deputy Leader), Dann,
Hallam and Whelband.

Other Members – Councillor Rickman (remote).

Internal Auditor (North Northamptonshire Council): R. Ashley-Caunt

Consultants (remote) – Nathan Elvery (Imagine Public Services Ltd.) (until 20.52)

INTRODUCTION

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

1. APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

Apologies were received from Councillor Dunton who was substituted by Councillor
Whitmore.

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 7 September 2022 be approved and signed by the
Chairman as a true record.

4. REPORT 1: INTERNAL AUDIT- PROGRESS AND PERFORMANCE UPDATE

The Chief Internal Auditor presented the report, the purpose of which was to update Members on progress against the 2022/23 internal audit plan, key findings of audits completed and status of outstanding recommendations.

She drew the Committee's attention to the full audit plan in the appendices of the report and highlighted the findings and summary of the audit. The Internal Auditor explained that there were no significant areas of concern in the findings. She spoke on the seven audit recommendations that had been implemented since the last Committee Meeting and the status of the nineteen overdue actions outstanding.

The Committee raised questions on the report and discussed the following points:-

- The timeframe of the conclusion of the outstanding actions with mention of the delivery of the Leisure Services fieldwork and the need to circulate the outcomes to Members. It was agreed that this would be followed up and actioned.
- Whether there is a review of the gradings and if they are correct, or if the status of the grading is too historic to be accurate currently – at what point does a 'medium' priority become a 'high' priority and does a delay in review influence the accuracy of this. The Internal Auditor explained that the gradings are determined by the risk that is assessed at the time of the audit, which is exposed until the action is completed, that this is not reviewed on an ongoing basis.

RESOLVED: that the items considered in the Internal Audit Progress Report (Appendix A) and Overdue Recommendations (Appendix B) and the Committee comments be noted.

5. REPORT 2: INTERNAL AUDIT PLANNING PROCESS FOR 2023/24

The Chief Internal Auditor presented the 2023/24 Internal Audit Planning Process Report. She explained which areas would be focussed on to ensure it is suitably risk-based and adds value to the Council in its decision making.

She invited the members of the Committee to email herself and the Chair any suggestions of areas to consider as a part of that planning process, by 20 December 2022. These suggestions will be fed into the process in January 2023 with a draft of the Audit Plan being produced by March 2023.

RESOLVED: that the Committee considered the Internal Audit Planning Process Report and its contents be noted.

6. REPORT 3: “MEMORANDUM OF AGREEMENT” FOR THE HARBOROUGH DISTRICT COUNCIL AND MELTON BOROUGH COUNCIL STRATEGIC COLLABORATION

The Interim Director of Governance and Law comprehensively presented the report, the purpose of which was to provide members with detailed information as to how a strategic partnership with Melton Borough Council, specifically in respect of shared senior management, could be governed and operated.

The Consultant highlighted that the development of the proposed Memorandum of Agreement (MoA) had been undertaken to accommodate the distinct requirements of both Harborough District Council and Melton Borough Council and built on best practice within the public sector. He also advised that the MoA would be considered by external lawyers as another process of due diligence prior to the final version being proposed to Council.

The Committee had the opportunity to discuss the report, Memorandum of Agreement and Strategic Risk Register and raised several questions and points of clarification on a number of areas.

Queries specifically relating to the draft Memorandum of Agreement included:-

- the process which would be undertaken if a change of Leadership and Cabinet occurred and the process of termination;
- the functions of the two deputy Chief Executives and their associated employment gradings;
- the regularity of performance monitoring;
- the financial impact if either Council withdrew from the Agreement;
- the role of Internal Audit within the Agreement;
- the recruitment and discipline of the post of Shared Chief Executive;
- the quorum arrangements for the Shared Strategy Board;
- the influence and responsibilities of the Shared Strategy Board as detailed in Schedule 3; and
- clarification in relation to the Partnership Governance arrangements in paragraphs 18 to 21 to the report given that the bodies detailed are advisory.

A request was made to share minutes from the Shared Stakeholder Group and Shared Strategy Board with all Councillors.

The Interim Director of Governance and Law advised that either Council may withdraw from the Agreement wholly or in relation to part of the shared services and that this democratic decision must be approved by Council, and that not less than twelve months written notice must be given unless early exit provisions apply. She also confirmed that dispute resolution arrangements formed part of the MoA.

It was confirmed that the pay, terms and conditions of the shared deputy Chief Executives would seek to be harmonised as these Officers would be shared across the partnership. The costs of these posts would also be shared on a 50/50 basis.

It was confirmed that the MoA is initially limited to facilitating a shared Chief Executive for both Councils, a shared Deputy Chief Executive for each Council with thematic responsibilities in the Strategic Partnership and the Strategic Partnership. Whilst the Monitoring Officer confirmed that the Shared Stakeholder Group and Shared Strategy Board would be monitoring performance on a day-to-day operation basis and reporting back via the Committee structure, it was NOTED that if the Strategic Partnership was approved, the MoA should include details clearly stating the reporting structure mechanism as well as the frequency of reporting, with consideration given to additional reporting particularly during the first six months of operation.

It was confirmed that the costs relating to decoupling relate to reversing the savings from opportunities within the partnership and building these back into the respective Council budget, and the costs relating to undertaking the decoupling process.

The Interim Director of Governance and Law reported that Internal Audit would have a role in overseeing the probity of the relationships and the boards as detailed in the MoA.

In relation to the contract of employment for the Shared Chief Executive, the Shared Officer Employment Panel would advise on the appointment of that post, and it was NOTED that for clarity the wording in Schedule 1, Shared Chief Officer Employment Panel should be changed to 'decisions on employment and discipline'. As the partnership itself is not a legal entity and therefore is not able to employ personnel, the Shared Chief Executive has to be employed by one of the two councils.

The Interim Director of Governance and Law advised that details of the quorum for the Shared Strategy Board had been accidentally omitted and the wording in this section in relation to the attendance would be reviewed.

Questions and comments were raised in relation to aspects within the main report and which also referred to the Business Plan discussed at the recent Scrutiny Commission meeting¹ which included:-

- whether Melton Borough Council would be responsible for the procurement of the Harborough District Leisure Services given that it was proposed that the Deputy Chief Executive at Melton would be responsible for Leisure Services ;
- clarification on the meaning of thematic responsibilities as detailed in paragraph 12 to the report; and Design Principles 1, 2, 3, 5 and 8 as detailed in paragraph 16 to the report;
- the influence and responsibilities of the Shared Strategy Board as detailed in Schedule 3.

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<https://cmis.harborough.gov.uk/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/5727/Committee/832/SelectedTab/Documents/Default.as>

The Interim Chief Executive confirmed that all the questions raised would be answered and included within the FAQ's to be sent to all Members.

RESOLVED: that the proposed Memorandum of Agreement is noted and the comments to Cabinet on the robustness of the proposed governance arrangements for the Strategic Partnership will be made.

7. 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.

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 4: Exempt: Governance Improvement and an update from the Chief Executive re exclusion of Members from a meeting of the Audit & Standards Committee on 2 March 2022.

8. EXEMPT- REPORT 4 - GOVERNANCE IMPROVEMENT AND AN UPDATE FROM THE CHIEF EXECUTIVE RE: EXCLUSION OF MEMBERS FROM A MEETING OF THE AUDIT & STANDARDS COMMITTEE ON 2 MARCH 2022

RESOLVED: that the Committee note the Governance Improvement Report and the Update from the Chief Executive regarding the exclusion of Members from a meeting of the Audit & Standards Committee on 2 March 2022.

9. ANY URGENT BUSINESS

There was none.

The Meeting closed at 21.17