

# Minutes of the Audit & Standards Committee

**Location:** Harborough Innovation Centre, Airfield Business Park, Leicester Road, Market Harborough, LE16 7WB



**Date:** 24<sup>th</sup> April 2024 commencing at 6.30pm

## Present:

**Councillors:** Bateman, Finan, Forman, Gair (Chair), Johnson, Nunn (Vice Chair), Mrs Page.

**Officers:** K. Aitken – Business Planning Officer  
R. Ashley-Caunt – Chief Internal Auditor  
C. Bentley – Accounts Team Leader  
H. Lillington – Director, Public Sector Audit, Grant Thornton UK LLP  
C. Mason – Director of Finance & S.151 Officer  
E. Newman – Democratic Services Officers  
L. Parsons – Audit Senior Manager, Mazars LLP

### 1. Apologies for Absence

There were none.

### 2. Declarations of Members' Interests

There were none.

### 3. Minutes of the Audit and Standards Committee on 25<sup>th</sup> October 2023.

The minutes were proposed by Councillor Nunn, and seconded by Councillor Johnson. The panel agreed the minutes of the meeting on 25<sup>th</sup> October 2023 as an accurate record.

*Cllr Forman entered the meeting at 18:35.*

#### **4. Corporate Risk and Opportunity Management - Quarter 3, 2023 24**

The Business Planning Officer introduced the report. She highlighted that there has been a change agreed since the last report on how risks are presented. The report noted the 19 corporate risks on the Risk Register at the end of Quarter 3 of the 2023/24 year. She highlighted the amber risks were between 5 and 12.

The Chair then asked the committee for any questions or comments on the report.

It was asked to clarify was 'Numata' was, noted in the risk register as supplying ongoing training. It was clarified that this is a company that provides cyber security training for Council Officers.

It was asked what the council was doing to limit the risk associated with homelessness figures increasing. The increase in homelessness cases being received by the council is increasing, and consequently this is increasing the spend on temporary accommodation, hence the increase in risk. The major projects team is working alongside the housing team to review the homelessness need/temporary housing in the district.

It was questioned what was being done to mitigate the risk relating to CR21 detailed in the report, relating to the Local Plan. The officer reminded councillors that this report is as of the end of Quarter 3, so this risk considered the uncertainty regarding the decision on the Statement of Common Ground. It was clarified that since the end of Quarter 3, the risk has been reduced.

It was asked whether there a risk of not providing a Local Plan on time if commissioned reports from external sources aren't returned on time. When the risk register is updated for Quarter 4, there would be increased data on where the development process is. It was decided that the Business Planning Officer would go away to provide further detail on this.

Is the recruitment to support Emergency Planning on track? There has been an increase in the senior management on call rota, and the emergency

planning team has been increased. There has also been increased training for emergency planning across the council.

The committee noted the items contained within the Council's Corporate Risk and Opportunity Register (attached at Appendix A to this report).

## **5. Internal Audit Charter and Strategy**

The Chief Internal Auditor introduced the next report. The report provided the Committee with the Internal Audit Charter and Strategy and sought the Committee's approval, in line with the Public Sector Internal Audit Standards. She noted that the charter remained the same as the previous year, with no amendments proposed.

The Chair then opened the committee for questions and comments on the report.

The report was proposed by Councillor Mrs Page and seconded by Councillor Johnson, and therefore,

It was **RESOLVED** that the Audit and Standards Committee approve the Internal Audit Charter and Strategy.

## **6. Internal Audit Plan 2024/25**

The Chief Internal Auditor then introduced the next report. The report provided the Committee with a draft Internal Audit Plan for 2024/25. The Plan was developed based on the risk-based approach, using the corporate risk register and corporate plan. This was developed alongside the council's corporate management team.

The Chair then asked the committee for any questions or comments on the report.

It was asked whether there was a reserve list previously and what the criteria is for risks to be on the reserve list. The reserve list is always supplied alongside the Audit Plan. There are risks identified through the process that perhaps would not receive an added benefit from an audit, as other improvement works and projects may be going on that effect that risk. It may be the case that the risk has been recently audited, and there are other outstanding actions following from that process. Therefore, they are added to the reserve list.

Relating specifically to the audit of UKSPF grants, it was asked whether outcomes of the projects funded by the grants are reviewed by the audit process to ensure that the money is being spent in the appropriate way. It was highlighted that the audit's purpose was to identify that the money had been spent in an effective way, so this would ensure that the money was being spent on what it was originally proposed for.

It was also asked whether the audit would focus specifically on UKSPF grants, or other community grants allocated by the council. It was confirmed that for this particular audit, it would be focused solely on the UKSPF grants. There has been previous work on the community grants process in the recent past.

The report was proposed by Councillor Mrs Page and seconded by Councillor Finan, and therefore,

It was **RESOLVED** that the Audit and Standards Committee approves the Internal Audit Plan for 2024/25

## **7. Internal Audit - Progress and Performance Update**

The Chief Internal Auditor introduced the report. The report included:

- The Audit Plan which included the status of all assignments.
- Any recommended amendments to the audit plan; one such amendment is noted in this report.
- Outcomes of finalised audit assignments.

The Chief Internal Auditor highlighted that in addition to performance, a report on outstanding actions arising from audit reports is also provided. She went on to outline the 26 outstanding actions that have not been implemented by the agreed implementation deadline; 14 of which are over 3 months over their implementation date and of "medium priority".

The Chair then asked the committee for any questions or comments.

It was asked what the process was if the recommendations made by the auditors aren't completed. This would include contacting the relevant officers, the audit team will chase updates, and officers will be required to provide evidence of completion. The audit team also provide regular updates on outstanding actions to the Corporate Management Team. Extensions can be granted through revising the target completion dates, but they are flagged as overdue.

The committee considered the Internal Audit Progress Report (Appendix A) and Overdue Recommendations (Appendix B) and commented as it considered necessary.

## **8. External Audit - HDC Audit progress report and sector updates**

The Director of Resources and Section 151 Officer introduced the next report. He introduced the external auditor for the year 2023/24, Director, Public Service Audit from Grant Thornton UK LLP, who provided the Appendix to the report. The report from the external auditor provided an update on progress of the audit of the accounts, value for money and other items that they considered pertinent to brief Audit & Standards Committee members.

The Chair then asked the committee for any questions or comments on the report.

It was asked when the External Audit Plan would be made available. This would come to the next meeting of the Audit & Standards Committee.

It was also questioned that when the External Audit Plan is presented, would the S151 comments be kept as part of the format? It was confirmed that if there was a sector update provided by Grant Thornton for each report, the S151 officer will provide his comments.

The Audit progress report and sector update (Appendix 1) was considered by the committee and was commented on as it considered necessary.

## **9. Approval of the 2022/23 Annual Governance Statement and the Annual Financial Report**

The Director of Resources and S151 Officer introduced the final report. He explained that the Council published the 2022/23 Annual Governance Statement (AGS) and Annual Financial Report (AFR) by the statutory deadline of 31 May 2023. The external auditors have conducted their audit over the following months and have now issued their Commentary on the Councils VFM Arrangements Report (VFM) and the Annual Completion Report (ACR). He highlighted that the delay in finalisation of the audit has primarily been due to several technical matters (infrastructure and pensions accounting). He also introduced the Audit Senior Manager from Mazars LLP, the external auditor for the year 2022/23 who discussed the report in further detail.

The Chair then asked the committee for any questions or comments on the report.

The report was proposed by Councillor Nunn and seconded by Cllr Finan. It was therefore, **RESOLVED** that the Audit and Standards Committee:

- Received the External Auditors Commentary on the Council's VFM Arrangements Report, and comment as they consider necessary.
- Received the External Auditors Audit Completion Report, and comment as they consider necessary.
- Received the 2022/23 Annual Governance Statement, duly signed by the Leader of the Council (as at the 31 March 2023) and Deputy Chief Executive.
- Noted the Draft Letter of Representation as authorised by the Director of Resources (& s.151 Officer).
- Approved the 2022/23 Annual Financial Report and give delegated powers to the Chairman of the Audit and Standards Committee and Director of Resources (& s.151 Officer) to authorise and sign the AFR on behalf of the Council subject to the auditors confirming an unqualified opinion on the AFR.

#### **10. Any Urgent Business**

There was no urgent business.

The meeting ended at 19:35.