

HARBOROUGH DISTRICT COUNCIL

MINUTES OF THE AUDIT AND STANDARDS COMMITTEE MEETING

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

on

21st July 2021

commencing at 6.32p.m.

Present:

Councillor Nunn (Vice-Chairman)

Councillors: Dunton, Golding, Hollick, Johnson and Mrs Wood

Officers: L. Elliott, S. Green, G. Keeping, C. Mason and V. Wenham (remote)

Internal Auditors (LGSS): R. Ashley-Caunt

External Auditors (Mazars): M. SurrIDGE (remote)

ELECTION OF CHAIRMAN FOR THE YEAR 2021/22

The Deputy Chief Executive opened the meeting and invited nominations for Chairman for the 2021/22 year.

It was proposed by Councillor Mrs Wood and seconded by Councillor Dunton that Councillor Dr Bremner be elected Chairman for the 2021/22 year.

There being no further nominations, it was

RESOLVED that: Councillor Dr Bremner be elected Chairman for the 2021/22 year.

APPOINTMENT OF VICE-CHAIRMAN FOR THE YEAR 2021/22

The Deputy Chief Executive then invited nominations for Vice-Chairman for the 2021/22 year.

It was proposed by Councillor Mrs Wood and seconded by Councillor Dunton that Councillor Nunn be appointed Vice-Chairman for the 2021/22 year.

There being no further nominations, it was

RESOLVED that: Councillor Nunn be appointed Vice-Chairman for the 2021/22 year.

In the absence of the Chairman, Cllr Nunn took the chair for the remainder of the meeting.

APOLOGIES FOR ABSENCE

An apology was received from Councillor Dr Bremner.

DECLARATIONS OF MEMBERS' INTERESTS

There were none.

MINUTES

RESOLVED that the Minutes of the Meeting of the Audit and Standards Committee held on 3rd March 2021 be approved and signed by the Chairman as a true record.

CORPORATE RISK AND OPPORTUNITY MANAGEMENT: QUARTER 4, 2020/21

The Committee considered the Corporate Risk and Opportunity report for Quarter 4, 2020/21.

At the end of Quarter 4 of the 2020/21 year there were thirty-one Risks and seven Opportunities on the Corporate Risk and Opportunity Register; details of these were included in appendix A to the report.

Of the thirty-eight risks and opportunities, eleven (28.9%) were assessed as Red status, these being:

- CR 25 The Council does not have sufficient funding to deliver its current services in the medium term
- CR 27 Risk of reduction of failing to deliver housing in a timely way could lead to reduction in receipts of new homes bonus
- CR 32 The Council does not meet its budgeted-for Planning fee income targets, particularly in regard to major applications which could have a negative impact on the Council's financial position
- CR 33 Costs of planning appeals, and legal challenges, exceed budget
- CR 36 Uncertainty following the United Kingdom's imminent departure from the European Union
- CR 37 Increase in homeless presentations results in an increased demand in Council support for relief
- CV 02 Unforeseen, unfunded financial burdens as a result of responding to the ongoing situation weaken the Council's financial stability
- CV 03 Loss of income, as economic activity reduces, weakens the Council's cashflow and financial sustainability
- CV 04 The focus on high-priority, short-term needs prevents the medium-term financial planning and decision-making needed to balance the Council's finances in the medium term
- CV 08 Additional homeworking requirements leads to increased demand on the Council's ICT infrastructure which subsequently becomes unstable
- CV 09 The ongoing situation leads to multiple, concurrent Emergency Planning situations which the Council does not have the capacity to deal with

Following discussion, the Committee

RESOLVED that the Corporate Risk and Opportunity Register at the end of Quarter 4 of the 200/21 year be NOTED.

INTERNAL AUDIT – PROGRESS AND PERFORMANCE UPDATE

R. Ashley-Caunt, Head of Internal Audit & Counter Fraud, presented the Committee with the current progress against the 2021/22 Audit Plan.

The Committee noted that since 1st April 2021, seven actions arising from Internal Audit reports had been implemented. At the date of reporting, there were eight agreed management actions that were

due, but yet to be confirmed as implemented. No audit reports from the 2021/22 audit plan had been finalised as at the time of reporting.

Following discussion, the Committee

RESOLVED:

- (i) That the internal audit progress report, attached as Appendix A to the report, and the status of outstanding recommendations at Appendix B be noted; and
- (ii) That the Audit Plan be amended to reallocate five days each from the budgets assigned to the Temporary Accommodation and IT Governance audits and assign the ten days to counter fraud support on facilitating the National Fraud Initiative (NFI) data matching exercise.

INTERNAL AUDIT – ANNUAL REPORT AND ASSURANCE OPINION 2020/21

R. Ashley-Caunt, Head of Internal Audit, presented the Annual Internal Audit Report and Assurance Opinion 2020/21.

Based upon the work undertaken by Internal Audit during 2020/21, the Head of Internal Audit's overall opinion on the Council's control environment was that Satisfactory Assurance can be given that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally operating effectively in practice. Since 2014/15 the assurances for the Council had been consistent at this level. However, no systems of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

Appendix A to the report provided a copy of the Annual Report which included the Head of Internal Audit's opinion on the Council's control framework for 2020/21 and the basis for this opinion. The opinion was derived from an assessment of the range of individual opinions arising from assignments from the risk-based Internal Audit plan that have been undertaken throughout the year. This assessment had taken account of the relative materiality of these areas and management's progress in respect of addressing any control weaknesses.

The Committee noted that a total of forty recommendations had been made during 2020/21. A further forty-three outstanding actions from previous financial years had also been implemented during the last twelve months and that no overdue actions from past years remained open at 31st March 2021. In relation to whistleblowing, the Council's revised Whistleblowing policy had been tested, with two referrals being handled since the report was drafted.

RESOLVED:

That the Annual Internal Audit Report and Assurance Opinion for 2020/21 be received and noted.

ANNUAL OMBUDSMAN REPORT

The Director, Law and Governance and Monitoring Officer, presented the annual review letter from the Local Government and Social Care Ombudsman's Office (LG&SCO) for the year ending 31st March 2020. The LG&SCO submits an Annual Letter to the Council on all the complaints received and this is to inform members of the complaints received and the outcomes for the year 2019/20.

In the financial year 2019/20 the LG&SCO responded to 2 customer complaint referrals, both of which were upheld. In 2018/19 10 complaints were referred to the LG&SCO. Out of the 10 referrals, 5 complaints were closed after initial enquiries, 3 were investigated and 1 complaint was upheld. Therefore, whilst the number of complaints upheld had increased, the number of referrals to the LG&SCO had reduced.

The Committee asked for assurance that lessons had been learnt from the upheld complaints. The Monitoring Officer responded that the Council's Code of Conduct procedures had been updated and it was agreed that a paragraph detailing 'lessons learnt' would be included in future reports to the Committee.

RESOLVED: that the LG&SCO's annual review letter for 2019/20 (attached as Appendix A to the report) be noted.

AUDIT STRATEGY MEMORANDUM

Mark Surrige, Director of Mazars LLP, the Council's External Auditors, presented a report summarising Mazar's audit approach for the year ending March 2021, highlighting significant audit risks and areas of key judgements and providing details of their audit team. A new area had been included section 4 of the report, "Significant Risks and other key judgements", relating to Covid-19 Grant Recognition. The proposed fees for audit and other services for 2020/21 were set out in section 6 of the report.

RESOLVED: that the information detailed in the Audit Strategy Memorandum be noted.

MATTERS OF URGENT BUSINESS

There were none.

The meeting closed at 7.28pm