

Minutes

Meeting name	Audit and Standards Committee
Date	Tuesday, 28 September 2021
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire LE13 1GH

Present:

Chair Councillor R. Child (Chair)

Councillors R. Smith (Vice-Chair) P. Chandler
P. Cumbers M. Glancy
A. Hewson D. Pritchett

Observers

Officers Director for Corporate Services
Assistant Director for Governance & Democracy
Head of Internal Audit
External Auditor (via video link)
Senior Democratic Services & Scrutiny Officer
Democratic Services Officer (CR)

Minute No.	Minute
89	<p>Apologies for Absence Apologies for absence were received from Councillors Illingworth and Posnett.</p>
90	<p>Minutes The Minutes of the meeting held on the 27 July 2021 were confirmed.</p>
91	<p>Declarations of Interest There were no declarations of interest.</p>
92	<p>Internal Audit Progress Report The Head of Internal Audit presented the Internal Audit Progress Report to the Committee. Members were informed that there have been two audits carried out, one on community grants and the other on procurement cards. In addition, the Committee was informed of the key actions that have carried out in relation to the internal audit plan.</p> <p>In response to the first question on the evaluation process in relation to community grants, the Committee was informed that work is ongoing but there have been instances where informal discussions had taken place but there had been no evidence that formal discussions had taken place following the informal discussions.</p> <p>Further discussion ensued on Community Grants and the Committee concluded that the matter should be referred to the Scrutiny Committee.</p> <p>Following a query on the analysis of procurement card spend by management, it was clarified that the invoice would go to the card holder, then they would provide senior management with receipts and a spreadsheet with the relevant cost codes for sign off. All low value transactions of up to £1000 each month would be handled using that procedure.</p> <p>Concern was raised that there was an Officer using a procurement card who had not signed the code of conduct. Members were informed that this was an isolated case whereby the signed code of conduct form was misplaced.</p> <p>The Committee was informed, following a query on the audit of project management, that it is the intention that an audit of project management is carried out without linking it to any particular project. The audit would view the topic from a strategic view and review the framework and principles alongside sample testing of a number of projects.</p> <p>Responding to a query, it was confirmed that following the consultancy review of the planning service two years ago, there would be an audit on whether the recommendations and action plan had been implemented and to provide some</p>

assurance over the progress made.

In response to a question regarding the audit of the HRA Business Plan, it was confirmed that one would take place but it would be postponed because the Business Plan is not yet ready.

RESOLVED

The Committee

1. REFFERED the issue of community grants to the Scrutiny Committee for investigation.
2. NOTED the Internal Audit Progress Report and the progress made by the Internal Audit in the delivery of the Audit Plan.

93

External Audit Annual Letter 2019/20

Hayley Clarke, External Auditor at Ernst Young introduced the report.

Concern was raised in regard to the valuation given to the Cattle Market, particularly as the difference between the valuation given by the Council's valuer and the external auditor was £100.5k per acre. In response it was noted that the valuation was subjective, not made easier by the fact that the site is unique and comparisons are difficult to find. Members were reminded that the site was valued as an operational cattle market, which is different to a site of similar size being valued for development or residential use.

In response to a query on why the skate park was described as an asset, the Committee was informed that the Council had purchased the equipment and therefore it remains an asset of the Council.

Following a query, regarding the documenting of leases, it was confirmed to Members that there will be a change in the international standards for reporting leases. The entry highlights the need for the Council to be adequately prepared for the change.

A Member questioned the reliance upon one member of staff in respect of the accounting for the Collection Fund. The Committee was informed that the Council has undertaken some succession planning and that in future there will be two members of staff who will be able to undertake that responsibility.

The Chair stated the Committee will receive answers in relation to the following either circulated separately or at the meeting in November: any remuneration disclosures relating to any severance payments, exit packages and termination benefits and how exactly did £2.764m worth of assets get misclassified as Council dwellings.

RESOLVED

That the Committee NOTED the External Audit Annual Letter 2019/20.

94	<p>Risk Management Annual Report 2021</p> <p>The Director of Corporate Services introduced the Risk Management Annual Report 2021. During the introduction of the report, the Committee was informed that risks can't be avoided but they can be managed.</p> <p>A discussion ensued regarding the Directorate Risk Register which is the operational risk register which sits underneath the Strategic Risk Register. It was noted that if a risk is deemed serious enough then it would be placed on the Strategic Risk Register and presented to the Committee. Those risks on the Directorate Risk Register are managed as business as usual at service level.</p> <p>The Committee agreed that Members should have greater oversight of both the Strategic Risk Register and the Directorate Risk Register.</p> <p>RESOLVED</p> <p>That the Committee</p> <ol style="list-style-type: none"> 1. NOTED the contents of the report, the updated Strategic Risk Register and associated risk management action plan. 2. AGREED that the Strategic Risk Register is presented to the Committee at least twice a year. 3. AGREED that the high risk items on the Directorate Risk Registers should be presented to the Committee. <p>Note: The frequency and mechanism of 3 (above) to be agreed with the Chair.</p>
95	<p>Urgent Business</p> <p>There was no urgent business.</p>

The meeting closed at: 7.32 pm

Chair