

Minutes

Meeting name	Audit and Standards Committee
Date	Tuesday, 11 June 2019
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire LE13 1GH

Present:

Chair Councillor J. Douglas (Chair)

Councillors

J. Wilkinson (Vice-Chair)	R. Bindloss
R. Browne	R. Child
R. de Burle	A. Hewson
S. Lumley	D. Pritchett
R. Smedley	

Observers

Officers

- Director for Corporate Services
- Director for Law and Governance
- Head of Internal Audit
- Democratic Services Officer (HA)

Minute No.	Minute
1	<p>Apologies for Absence There were no apologies for absence received.</p>
2	<p>Minutes There were no minutes to confirm as this is the first meeting of this Committee.</p>
3	<p>Declarations of Interest There were no declarations of interest received for this meeting.</p>
4	<p>Internal Audit Annual Report 2018/19 A report was received from the Head of Internal Audit, the purpose of which was to provide the Committee with the Head of Audit's Assurance Opinion for 2018/19 and the Annual Report detailing the basis for this opinion, for review and approval.</p> <p>The Head of Internal Audit highlighted that based upon the work undertaken by Internal Audit during 2018/19; the overall opinion on the Council's control environment was that of Satisfactory Assurance. This reflected that there were no significant control weaknesses identified during the year and where weaknesses had been identified, these were subject to action plans. She advised that all performance indicators for Internal Audit had been met or exceeded, including 100% delivery of the plan.</p> <p>During the discussion the following points were noted:</p> <ul style="list-style-type: none"> • Page 8 of Appendix A Table 3 shows GDPR graded with Good assurance for Design of Control Environment, this should read Satisfactory. • Members raised concerns about ongoing issues highlighted with procurement given there had been a recent fraud matter involving a housing repair contract. The Director for Corporate Resources advised that internal measures have been put into place following the fraud and the audit on procurement compliance was an annual assignment commissioned in order to continue to monitor and seek assurances in this area. • the LGSS Counter Fraud Service would be working with Internal Audit with regard to tenancy fraud and the Right to Buy Scheme to strengthen controls in these areas. • Members raised concerns about the recording of procurement processes, in particular the Councils Contract Register. The Director for Law and Governance and Director for Corporate Resources advised that some contracts had not been recorded on the contracts register for publication in accordance with the Transparency Code, however there was no suggestion

that proper procedures had not been following in relation to those contracts and internal measures have been put in place to strengthen processes and the Senior Leadership Team have oversight of the process.

- Members raised concerns in respect to Table 5 of Appendix A, which summarises High and Medium priority overdue recommendations as at 31 March 2019. Officers provided assurance that work was being undertaken to ensure that overdue recommendations were completed.
- Members asked questions and raised concerns about the findings from the audits carried out during the previous year and contained within the Internal Audit Annual Report. The Head of Internal Audit advised that the audits for those pieces of work had been completed and reported previously to the Committee. The Chair of the Committee advised that members should submit any concerns or queries to her and they would be shared with members of the Committee and redirected to the correct Committee/Officer for a response.
- A member raised concerns with regard to the fire safety of Council housing properties and asked for his comments to be noted. The Director for Law and Governance assured members that work was being undertaken by the Director for Growth and Regeneration and she regularly updates members on progress.
- Members raised concerns about IR35 compliance, The Director for Corporate Resources confirmed that action was being taken to implement recommendations.
- Members raised concerns about the contract awarded for the refurbishment of Beckmill Court. Officers were requested to provide reassurance, in relation to landlord health and safety, that Melton Borough Council was fully aware of all risks in relation to fire and electrical safety in council housing. Members also queried whether the regulator for social housing should be informed in light of the concerns raised.

Concerns were raised in respect of the cost of the project and tenancy management as the original costs for the project were estimated at £3.1m against a tender cost of £2.2m, it was requested that officers report back what considerations were given at the time as to why the estimated costs differed so greatly.

It was further requested, in relation to housing management of the block, for officers to report back to Members if the Council was now spending less on day-to-day repairs and voids and how the scheme is performing financially

RESOLVED that the Audit Annual Report and Assurance Opinion for 2018/19 be received and noted.

5	<p>Internal Audit Charter and Strategy</p> <p>A report was received from the Head of Internal Audit, the purpose of which was to provide the Committee with a copy of the Internal Audit Charter and Strategy for review and approval.</p> <p>The Head of Internal Audit advised that the internal audit charter establishes the internal audit activity's position within the organisation, including the nature of the chief audit executive's functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities'. She advised that since 1st April 2017, the Council's Internal Audit service has been formally delegated to LGSS. The Charter and strategy was formally approved by the Committee in June 2017 and has since been subject to annual review, in line with best practice</p> <p>The Head of Internal Audit advised that no material amendments to the Charter were proposed for 2019/20. The only amendments are as follows:</p> <ul style="list-style-type: none"> • To amend any references to Strategic Management Team (SMT) to Senior Leadership Team (SLT), to reflect the latest management structure. • To amend any references to the Governance Committee exercising the role of the 'Board' or 'Audit Committee' to the Audit and Standards Committee, in line with the revised Committee structure and terms of reference. <p><u>RESOLVED</u> that the Internal Audit Charter and Strategy be approved.</p>
6	<p>Code of Conduct Update</p> <p>A report was received from the Director for Law and Governance, the purpose of which was to provide the Committee with an update on the latest position with regard to standards matters, including the Code of Conduct, the Registration of Disclosable Pecuniary Interests and Other Interests and any complaints against Councillors.</p> <p>The Director for Law and Governance noted that there were currently three complaints in progress which are being worked on.</p> <p><u>RESOLVED</u> that the update on the position of standards matters, including Parishes' Registration of Disclosable Pecuniary Interests and Other Interests and complaints against Councillors dealt with under the provisions of the Localism Act be noted.</p>
7	<p>Urgent Business</p> <p>There was no items of urgent business which had previously been notified to the person presiding.</p>

The meeting closed at: 7.45 pm

