

# Minutes

<b>Meeting name</b>	<b>Audit and Standards Committee</b>
<b>Date</b>	<b>Tuesday, 29 September 2020</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>This meeting will be held by remote access - details below</b>

## Present:

**Chair** Councillor J. Douglas (Chair)

**Councillors** J. Wilkinson (Vice-Chair) P. Chandler  
R. Child C. Fisher  
M. Glancy A. Hewson  
D. Pritchett R. Smedley

**Observers** H. Henshaw, External Audit

**Officers** Director for Corporate Services  
Director for Governance and Regulatory Services and Monitoring  
Officer  
Head of Internal Audit  
Democratic Services Manager  
Democratic Services Officer (HA)

Minute No.	Minute
48	<p><b>Apologies for Absence</b> There were no apologies received for this meeting.</p>
49	<p><b>Minutes</b> The Minutes of the meeting held on 28 July 2020 were confirmed and authorised to be signed by the Chair.</p> <p>Councillor Jeanne Douglas, Chair, lost remote connection to the meeting at this point. Councillor Wilkinson, Vice Chair, took the Chair of the meeting.</p>
50	<p><b>Declarations of Interest</b> Councillor Chandler wished to make it clear that she has no interest in Melton Cattle Market as a consumer.</p>
51	<p><b>Internal Audit Update</b> The Head of Internal Audit provided a report to update Members on the work of the Internal Audit team providing an update on the implementation of audit recommendations.</p> <p>During the discussion the following points were raised:</p> <ul style="list-style-type: none"> <li>• The Head of Internal Audit advised that the majority of the overdue audits in Appendix C relate to the Housing Directorate and are now being consistently followed up by the Director of Housing and Communities.</li> <li>• The Head of Internal Audit gave the following update from the Director of Housing and Communities in regard to the Asbestos Survey action, as the revised date was to be September 2020: <i>‘In relation to data management, we continue to audit and quality check data and bring together all records from contractors ready to populate the housing asset management system, this shows there are now 46 properties with no asbestos survey compared to 441 in November 2019. We are looking at our planned work streams using them as a basis to co-ordinate new and refreshed older surveys once this has been completed, this work will order the remaining surveys with revised targets for this work for November 2020.’</i></li> <li>• Concerns were raised about the level of support to the Leisure provider and whether the level of payments can be sustained. The Director for Corporate Services referred Members to the exempt report recently taken to Cabinet which sets out the details of how the support is made up and the financial implications for the Council.</li> <li>• An update was requested on the current position with the balances from the Covid outbreak and any losses incurred. The Director for Corporate Services referred Members to the comprehensive report taken to Cabinet recently which set out the financial position to date and the financial position for 2019.20 taking into account the savings made to offset the financial implications of Covid.</li> </ul>

- In response to an enquiry regarding fraudulent business grant claims, the Head of Internal Audit advised she was aware of one business which had been reported to the relevant central government department for investigation.
- In response to a question regarding the Right to Buy Policy, the Director for Governance and Regulatory Services advised that the capacity for Covid 19 had meant it had not been possible to complete the policy though processes have improved and that other policies including Rent Setting, Aids and Adaptations and Voids had taken precedence.

**RESOLVED that:**

The Committee **NOTED** the contents of the Internal Audit Update Report.

Councillor Douglas resumed the Chair following this item.

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**Internal Audit Plan**

The Head of Internal Audit provided Members with a copy of the draft Internal Audit Plan for 2020/21 for review and formal approval which had been reviewed and amended in light of the changing risk environment during the financial year to date.

During the discussion the following points were noted:

The Head of Internal Audit advised Members that Internal Audit had been assisting with additional work in relation to spending and governance during the pandemic response, as well as around business grant fraud work and may continue with some of this work for the foreseeable future.

The Head of Internal Audit advised that a paper would be brought to the November Audit and Standards meeting for the Audit Planning Process 2021-22 for the Committee to discuss.

- In response to a query regarding the total audit days remaining, the Head of Internal Audit advised that this related to a reduction in the number of days required for the audit of the Life Line service which had had been included on a general contingency code.
- In response to a query regarding additional support concerning the Cemetery, the Director for Corporate Services advised that the Council had sought assurances from Internal Audit that the processes and procedures in place were robust.
- In response to a query regarding the progress of the Cattle Market audit the Head of Internal Audit advised that the Cattle Market review is still ongoing and would be updated at Committee later in the year.
- Following concerns raised regarding the loss of income at the cattle market over the coming year as cattle are now being sold deadweight, the Director for Corporate Services advised that the forecast for the year showed that the income generated would be down and that the Council would only be taking base rate commission, there is a provision in the contract of a minimum amount that has to be paid. The Council would then be eligible to make an income compensation claim from the Government for 75% of 95 % of the loss.

- The Head of Internal Audit advised that internal audit had been looking at all Council spending on a weekly basis including all orders, invoices and all payroll data but this has now been reduced to bi weekly.. The Director for Corporate Services advised that the Council had had to respond quickly to decision making due to the restrictions of Covid, and urgent decisions were made under delegated authority and/or emergency powers. Due to a different way of working ie remote working, controls could break down, therefore, internal audit were asked to be involved for assurance that those urgent decisions had been made in the right way and also helped to provide additional capacity and resources in an area where/when it was needed.

**RESOLVED** that:

- 1) The Committee reviewed and **APPROVED** the revised Internal Audit Plan for 2020/21
- 2) The Committee agreed to **DELEGATE AUTHORITY** to the Director for Corporate Services, in consultation with the Chair of the Audit and Standards Committee, to agree amendments to the Internal Audit Plan during the financial year if required to do so.

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**Risk Management Annual Report 2020**

The Director for Corporate Services provided a report to update Members on the Risk Management arrangements outlining the current significant risks that had been captured on the recent review of the Council's strategic risk register by the Senior Leadership Team.

During the discussion the following points were noted:

- The Director for Corporate Services advised that Appendix A showed the high level risks that are reviewed by Senior Leadership team twice a year and advised that lower risks are reviewed at project management or service level.
- In response to a query regarding sufficient resources to provide significant financial stability to keep procedure rules in place, the Director for Corporate Services advised that there was a high risk around the future financial stability of the Council as it is not known yet how much government support the Council would get.
- The Director for Governance and Regulatory Services advised that that there were now systems in place for better data control regarding housing functions and risks and that there is now an officer in post to deal with data management on a day to day basis.
- Following a concern regarding the risk for GDPR and staff using their own equipment to work from the home, the Director for Governance and Regulatory Services advised that staff were only using their own equipment for Zoom meetings and that a data protection impact assessment had been completed when the enhanced Zoom account was procured.
- In response to a query about the New Homes' bonus payment and the Fair Funding Review and whether these were being phased out, the Director for Corporate Services advised that the Council had been under the impression

that the payment for the New Homes' Bonus which had been received this year was due to be the last, however, the Council has now received the documents from Government to complete in relation to the number of new houses that have been built and noted that the document was still collecting the data that was required for the new homes' bonus so it may be that Government are considering paying it for one more year. The Director for Corporate Services also advised that the Fair Funding Review had been delayed again this year and that it wouldn't be coming in from April next year and the spending review which would normally have taken place over the summer had also been deferred until at least the autumn.

**RESOLVED** that:

Members **NOTED** the content of the report, the updated Strategic Risk Register and the associated risk management plan as attached at Appendix A.

54

**Implementation of Best Practice Recommendations from the Committee on Standards in Public Life**

The Monitoring Officer provided a report to update Members on how the Council is implementing best practice recommendations derived from the findings of the Committee on Standards in Public Life review of local government ethical standards.

During the discussion the following points were noted:

The Monitoring Officer advised that the an action plan had been put together at Appendix A and will be brought back to Committee in 6 months time for Members to monitor the progress.

**RESOLVED** that:

Members **NOTED** the Action Plan for implementing the best practice recommendations as set out at Appendix A.

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**Urgent Business**

There was no urgent business to discuss.

The meeting closed at: 7.36 pm

Chair