

Minutes

Meeting name	Audit and Standards Committee
Date	Tuesday, 30 July 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 Deputy Chief Executive & Director for People & Communities
Director for Growth and Regeneration
Director for Law and Governance
Head of Internal Audit
Democratic Services Officer (HA)
Accountant (CK)
Corporate Services Manager

Minute No.	Minute
8	<p>Apologies for Absence There were no apologies for absence received.</p>
9	<p>Minutes The Minutes of the meeting held on 11 June 2019 were confirmed and authorised to be signed by the Chair with amendment to Agenda Item 4, last bullet point to read:</p> <p>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.</p> <p>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.</p> <p>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.</p>
10	<p>Declarations of Interest There were no declarations of interest received for this meeting.</p>
11	<p>Statement of Accounts 2018-19 The Corporate Services Manager presented The Statement of Accounts to inform the Committee of the key issues within the annual accounts that are prepared in accordance with the Accounts and Audit Regulations 2015.</p> <p>During the discussion the following points were noted:</p> <p>Though there had been some updates provided to the Statement of Accounts on the evening of the meeting, this resulted in the Statement being accurate and up to date.</p> <p>A report considering the provisional General Fund (GF) and Housing Revenue Account (HRA) position in comparison to the budget was reported to Cabinet on 9 July 2019.</p> <p>The narrative statement provided separately to the Statement of Accounts compared the final year end position against the original budget approved in February 2018 as per appendix B.</p>

The Council's actual borrowing was within the level of the Capital Financing Requirement (CFR).

The working balance on the HRA had increased from £1,667k at 1 April 2018 to £1,897k at 31 March 2019 due to an underspend within the HRA in 2018-19. No new borrowing had been taken out in the year.

Members were conscious that some planned maintenance work had not been completed, it was advised that the Fire Risk Assessment had taken priority but the planned maintenance projects had been pushed back to 2019/20 and a report would be available at the next Cabinet meeting showing a comprehensive view of all works.

Cllr Pritchett requested that although he would vote in favour of the Statement of Accounts, it be noted that he will not be in favour of Appendix B as it was not discussed and there are spelling mistakes in the document.

RESOLVED that

- 1) The Committee **APPROVED** The Statement of Accounts for 2018-19.
- 2) The Chair of the Audit and Standards Committee **SIGNED** the Statement of Accounts for 2018-19.

12

Annual Governance Statement 2018-19

A report was provided by the Monitoring Officer to seek Members' approval of the Annual Governance Statement (AGS) for 2018-19. The AGS was a Statutory requirement and a key component of the Council's governance arrangements.

The purpose of the AGS process is to provide a continuous review of the effectiveness of the Council's internal control and risk management systems.

Appendix A showed the areas for focus identified last year and progress made against the issues. It also showed the improvement areas identified for 2019/20 which would be reviewed by the Senior Leadership Team on a quarterly basis.

RESOLVED that:

The Committee **APPROVED** the Council's Annual Governance Statement (AGS) as set out in Appendix A.

13

Audit Results Report Year Ended 31 March 2019

The external auditors presented the Audit Results Report Year Ended 31 March 2019 which summarised the preliminary audit conclusion in relation to the audit of Melton Borough Council for 2018/19.

During the discussion the following points were noted:

In 2017/18 a number of contracts were not included on the contracts register, this was recurring for 2018/19, the Council needs to refresh its contract register to ensure it remains accurate.

The Director for Law and Governance advised that the contracts register was discussed regularly at the Senior Leadership Team meeting

The Council has updated the statement of accounts to reflect the impact of McCloud and Guaranteed Pensions Equilisation court rulings as well as actual year-end asset valuation.

Misstatements between amounts should be recorded in the financial statements and the disclosures and amounts actually recorded are identified as 'known' or 'judgemental'. Confirmation was provided that misstatements of £0.028m, identified during the audit had been corrected by management.

There were no matters to report about arrangements to secure economy, efficiency and effectiveness in the use of resources.

RESOLVED that:

Members **ACCEPTED** the Audit Results Report for the year ended 31 March 2019.

14

Debt Management Review - Update on Progress

The Deputy Chief Executive introduced the report, the purpose of which was to update members on the progress made against recommendations provided by Internal Audit in the Debt Management Consultancy Review.

During the discussion the following points were noted:

The draft Corporate Debt and Income Maximisation Policy had been adopted following key recommendations from the Debt Recovery Audit. Approval was given by Cabinet on 9 July 2019 for a consultation on the Policy to begin in late July 2019.

Concerns were raised that the Policy might highlight the way in which the Council dealt with bad debts if published online.

Specific training had been delivered to key service areas emphasising responsibilities regarding minimising debt and Cabinet had approved the continuation of a Sundry Debt Officer to continue until March 2020.

The Council aimed to have full-time permanent staff in place for debt recovery providing enhanced support for vulnerable residents .

Overpayments of housing benefit made up half the sundry debt due to the Council.

RESOLVED that:

The Committee **NOTED** the progress made with regard to the recommendations made in the internal audit review of debt management undertaken in 2018/19.

15

Whistleblowing Policy

A report was provided by the Director for Law and Governance the purpose of which was to seek approval of a revised Whistleblowing Policy which complied with legislation, forming part of the Council's internal governance controls.

During the discussion the following points were noted:

Concerns were raised about the following wording contained within paragraph 11 of the draft Policy;

“The investigating officer should in the first instance inform any employee who is the subject of a whistleblowing allegation of the allegation before a decision is taken as to what will happen with it. If the investigating officer determines that this would not be appropriate in the circumstances then he should seek guidance from the Monitoring Officer who may advise not to inform the employee at this stage of the process.”

The concerns were, if the Officer who was subject to the complaint was automatically told that there had been a complaint raised against them, it may impact an officer's mental health should the complaint later be found to be unsubstantiated.

The Monitoring Officer agreed to consider concerns and make necessary amendments within her delegation if granted by the Committee.

Concerns were also raised regarding the retention of evidence in Whistleblowing cases.

RESOLVED that:

- 1) The Committee **APPROVED** the Whistleblowing Policy.
- 2) The Committee **DELEGATED AUTHORITY** to the Monitoring Officer to make minor changes in line with legislative or operational changes.
- 3) The Committee noted that the Monitoring Officer would make changes to paragraph 11 of the Whistleblowing Policy in line with member comments and report to Members what changes had been made.

16

Beckmill Court Audit on Progress

A report was provided by the Director for Growth and Regeneration, the purpose of which was to update the Committee on the progress made on the recommendations from the internal audit report (August 2018) for the Beckmill Court Regeneration project.

During the discussion the following points were noted:

Recommendations and best practice from the audit now applied to all new projects being undertaken by all teams within the Council. All officers have been reminded about the contract procedure rules and a copy of the new rules had made available to all.

The Corporate Projects and Performance officer was currently working with the Director for Growth and Regeneration to revise the performance indicators for repairs within the housing assets. Members requested that these performance indicators be reported back to Committee.

One of the audit recommendations related to contracts and procurement process not being followed properly. The Corporate Services Manager advised that there was now clear guidance and training in place.

RESOLVED that:

The Committed **NOTED** the updates and progress made so far on the actions recommended in the audit report from August 2018 for the Beckmill Court Regeneration Project.

17

Annual Fraud Log 2018/19 and Counter Fraud Update

A report was provided by the Head of Internal Audit to update the Committee on counter fraud activity at the Council and log of reports of attempted or alleged fraud against the Council during the year 2018/19.

During the discussion the following was noted:

	<p>The report relates to corporate fraud and excludes any housing benefit fraud.</p> <p>For the year 2018/19 there have been no fraudulent activity or attempts against the Council.</p> <p>Reference was made to two new actions; 'Review of Anti Laundering Policy' and 'To introduce record of all awareness campaigns/staff alerts relating to emerging fraud risks'. The Review of Anti Laundering Policy will be brought to committee in September 2019.</p> <p>RESOLVED that:</p> <p>The Committee NOTED the contents of the report.</p>
18	<p>Code of Conduct Update (VERBAL)</p> <p>The Director for Law and Governance advised the committee:</p> <p>There are three Member complaints within the last 3 months, in an initial state, expected to have a formal resolution. There is now a new process in place with a Corporate Complaints Officer.</p> <p>DPI's for the parish are still being received and are being processed.</p> <p>Borough DPI's are now online</p> <p>RESOLVED that:</p> <p>The Committee NOTED the comments made.</p>
19	<p>Urgent Business</p> <p>No urgent items of business were received.</p>

The meeting closed at: 8.40 pm

Chair