

**AUDIT COMMITTEE  
25TH APRIL 2023**

PRESENT: The Chair (Jane Nellist)  
The Vice Chair (Councillor Parsons)  
Councillors Charles, A. Gray, Hadji-Nikolaou and  
Hamilton

Mark Surridge (Auditor (Mazars))

Director Finance, Governance and Contracts  
Head of Governance and Human Resources  
Head of Transformation, Strategy and  
Performance  
Audit Manager  
Internal Auditor  
Democratic Services Officer (NC) and Democratic  
Services Officer (RD)

APOLOGIES: Councillor Boldrin, S. Bradshaw and Snartt

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. She also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

40. MINUTES FROM THE PREVIOUS MEETING

The minutes of the meeting of the Committee held on 31st January 2023 were confirmed as a correct record and signed.

Due to the closing term of office and upcoming Borough Election, and recognising that this may be the final meeting for some, the Chair thanked members of the Committee for their contributions and input throughout the term which had been greatly appreciated.

41. DISCLOSURES OF PECUNIARY INTERESTS, AND OTHER REGISTRABLE AND NON-REGISTRABLE INTERESTS

No disclosures were made.

42. QUESTIONS UNDER OTHER COMMITTEE PROCEDURES 12.8

No questions had been submitted.

43. EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE (ANNUAL)

An Annual report of the external auditor was submitted to provide a summary to the Committee of the work undertaken for the Borough Council for the year ended 31st March 2022 (item 5 on the agenda filed with these minutes).

Mark Surrige representing the external auditors (Mazars) attended the meeting virtually to assist with the consideration of this item. He drew Committee members' attention to Pages 19 and 20 in the report pack: Value for Money (VFM) arrangements Overall summary.

He stated that the Auditors had a responsibility to assess and comment on the Council's financial sustainability, governance and improving economy, efficiency and effectiveness. They had looked at the level of reserves, the financial planning process, management of budgets, risk management arrangements and functionality, and performance management. He confirmed that there were no significant weaknesses and no recommendations for improvement.

The Director of Finance, Governance and Contracts stated that the Council sets the Capital Plan and Mazars would be looking at how the Capital Plan would be funded. Although figures were an estimate, they were needed in order to have a decision-making plan.

It was noted that instructions had not yet been received from the National Audit Office, as a certificate could not yet be issued to close the audit and it would not be resolved until June 2023, however it was confirmed there would be no liability for the Council.

Two typos were noted in the report – the use of 'Trust' which required amending to Council and an error in Audit Conclusions on page 15 of the report for valuation of the net pension liability.

**RESOLVED** that the report be noted, with amendments as noted.

Reason

The Committee were satisfied with the contents of the report.

44. COUNCIL'S USE OF REGULATION OF INVESTIGATORY POWERS ACT (RIPA)

A report of the Head of Governance and Human Resources was submitted providing the Committee with a summary of the Council's use of RIPA powers, (item 6 on the agenda filed with these minutes).

The Head of Governance and Human Resources attended virtually to assist the Committee with its consideration of the report.

**RESOLVED** that the Committee noted there had been no use of RIPA powers by the Council for the period 1st January 2023 to 31st March 2023.

Reason

To enable the Committee to comply with the request from Cabinet that the Audit Committee assumes responsibility for receiving a quarterly report on the use of RIPA, and to report to Cabinet any concerns arising from those reports that may indicate that the use of RIPA is not consistent with the Policy or that the Policy may not be fit for purpose.

45. RISK MANAGEMENT (RISK REGISTER)

A report of the Head of Transformation, Strategy and Performance was submitted providing the Committee with details of the Strategic Risk Register for the period 2022/23 (item 7 on the agenda filed with these minutes).

The Head of Transformation, Strategy and Performance attended the meeting to assist the Committee with its consideration of the report. She noted that the Risk Register 2023/24 had been approved by Cabinet on 9th March 2023 and that Strategic Risk 11 (Housing Demand) had been added to the Risk Register towards the end of 2022. It was stated that completed actions would be removed from the register.

Three Officers had engaged with a National Planning Event to plan for the National Power outage and this took place over a three-day period. CLT would receive a briefing from the Officers involved in the event and the information would be cascaded.

It was noted that joining Leicestershire Districts in recruiting a shared county-wide Business Continuity Officer had been a Local Resilience Forum (LRF) initiative and had been considered beneficial for the Council.

The Head of Transformation, Strategy and Performance agreed to update the Committee with regard to the completion of strategic risk 9 (Climate Change).

**RESOLVED** that the Committee notes the report.

Reason

To ensure the Committee is kept informed of progress against the Strategic Risks. Noting that should they occur they would cause the Council to be unable to operate and/or provide key services leading to a significant effect on public wellbeing.

46. CIPFA POSITION STATEMENT: AUDIT COMMITTEES IN LOCAL AUTHORITIES AND POLICE 2022

A report of the Audit Manager was submitted informing the Committee of the publication of CIPFA's 2022 edition of Audit Committees: Practical Guidance for Local Authorities and Police (item 8 on the agenda filed with these minutes) and to consider best practice recommendations within the guidance.

The Audit Manager and Director of Finance, Governance and Contracts attended the meeting to assist the Committee with its consideration of the report.

A typo was noted that the report had the incorrect Council date of 23rd May 2023, and that this would be amended to 22nd May 2023.

In response to questions it was noted that:

- in terms of member engagement to the Committee and what knowledge and expertise would be required, a guidance document had been circulated prior to the meeting via e-mail which detailed this. (The document had not been published, due to copyright as it was a purchased copy).
- it was recognised that having two independent members on the Committee could be challenging, although it was considered that the Committee was already forward-thinking in having an independent Chair. The formation of a cross-party working group had been recommended in the report and this would come back to Audit Committee in July 2023.
- questionnaires would be sent to members appointed to the Audit Committee in the new Council year to ascertain their skills and identify any gaps with new and existing members.
- a working group would be formed which Officers would support.

## **RESOLVED**

1. That the Audit Committee notes the report;
2. That the Audit Committee agrees to establish a cross party member working group, to be drawn from the Audit Committee appointed at council on 22nd May 2023, to work with the Audit Manager and the Chair of the Audit Committee to undertake a self-assessment and training needs analysis and report back to the meeting of Audit Committee at the July meeting.

### Reasons

1&2. To ensure that the Committee is aware of the updated guidance to meet its statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

## 47. INTERNAL AUDIT PLAN - PROGRESS

A report of the Head of Governance and Human Resources was submitted providing the Committee with a summary of the progress against 2022/23 Audit Plan, outlining key findings from final reports and any outstanding recommendations (item 9 on the agenda filed with these minutes).

The Audit Manager attended the meeting to assist the Committee with its consideration of the report and noted that Appendix A showed that good progress was being made and that eight final audit reports had been issued from the 2022/23 plan.

Members noted that it was considered complex to obtain information about Section 106 funding and wished to receive further updates and opportunities for input.

In response to questions it was noted that:

- the audit of the Town Hall had been postponed to 2023/24 or early 2024/25 due to the recent fire at HSBC, which had affected the Town Hall.
- the National Fraud Initiative was a 'non-audit' type and would be completed every two years. It was confirmed that the internal Audit team received the data and would assist services with data checking.
- service assets being sold that were not of significant value were not declared and that page 23 of the report (page 93 of the report pack) was referring to the process only. An example of a significant asset would be Limehurst Depot.
- in relation to Performance Indicators, it was confirmed that Customer Satisfaction Surveys were sent out to Service Managers during the year and was an opportunity for feedback.

The Chair observed that it was encouraging that there had been an improvement in keeping policies and strategies updated.

**RESOLVED** that the Committee notes the progress report set out in Appendix 1, filed with the agenda.

#### Reason

To ensure the Committee is kept informed of progress against the Internal Audit Plan and work of Internal Audit.

#### 48. 2023/24 DRAFT INTERNAL AUDIT PLAN

A report of the Head of Governance and Human Resources was submitted providing the Committee with the proposed Audit Plan as set out in the appendix (item 10 on the agenda filed with these minutes).

The Audit Manager attended the meeting to assist the Committee with its consideration of the report.

Attention was drawn to the 2023/24 Annual Audit Plan (page 109 of the report pack) and it was confirmed that timings were estimates only.

In response to questions it was noted that:

- there had been issues with staff shortages in the Audit team, especially as the service was now split across three authorities, and recruitment had been difficult. However an Audit Assistant post had been filled, one post had changed from part-time to full-time and an apprentice had been recruited.
- the 'Key Financial Systems' which included payroll, main accounting, housing regulations and treasury management would be audited separately on a rolling programme over a three-year period.
- the Audit service was still meeting statutory requirements with regard to staffing.

**RESOLVED** that the Committee approves the proposed Audit Plan as set out in the appendix (item 10 on the agenda filed with these minutes).

#### Reason

To ensure that Internal Audit resources are effectively utilised.

49. WORK PROGRAMME

A report of the Director of Finance, Governance and Contracts was submitted to enable the Committee to consider its work programme (item 11 on the agenda filed with these minutes).

Amendments since the last meeting were noted and CIPFA would be included in the work programme for July 2023.

The Committee decided there were no issues they wished to raise with the Scrutiny Commission.

**RESOLVED** that the Committee proceeds on the basis of the work programme, attached to the agenda, with any amendments and inclusions agreed at this meeting.

Reason

To enable the Committee to identify future items of business and enable planning for future meetings to be undertaken, for example preparing reports and arranging for the attendance of officers and/or others at meetings.

NOTES:

1. No reference may be made to these minutes at the next ordinary Council meeting unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. The following officers attended the meeting virtually: External Auditor and the Head of Governance and Human Resources.
3. These minutes are subject to confirmation as a correct record at the next meeting of the Audit Committee.