

AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE

MINUTES OF MEETING HELD ON WEDNESDAY, 28 APRIL 2021

Present:

Councillor Martin E Thacker MBE JP (Chair) (in the Chair)
Councillor Stephen Clough (Vice-Chair)

Councillor William Armitage
Councillor Pat Kerry
Councillor Michael Roe

Councillor Nigel Barker
Councillor Gerry Morley
Councillor Ross Shipman

Also Present:

J Kenyon Portfolio Holder for Leisure, Transformation & Climate Change
L Hickin Joint Director of Corporate Resources and Head of Paid Service
J Dethick Head of Finance and Resources, Section 151 Officer
S Sternberg Joint Head Of Service - Corporate Governance & Monitoring Officer
J Williams Internal Audit Consortium Manager
N Calver Governance Manager
D Stanton Governance Officer
A Bashir
M Broughton Joint Head of Transformation and Organisation
K Drury Information Engagement & Performance Manager

AUD/ Apologies for Absence

1/21-

22 No apologies for absence were received.

AUD/ Declarations of Interest

2/21-

22 Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interests, in any item on the agenda and withdraw from the meeting at the appropriate time.

Councillor S Clough declared an interest in item 12a – Killamarsh Sports Centre, and advised that he would withdraw from the meeting at the appropriate time.

AUD/ Minutes of Last Meeting

3/21-

22 RESOLVED – That the Minutes of the Audit & Corporate Governance Scrutiny Committee held on 10 February 2021 be approved as a correct record and signed by the Chair, subject to a clarification in the attendance that Councillor P Kerry was present.

AUD/ Audit Strategy Memorandum - Year Ending 31 March 2021

4/21-

22 The Committee welcomed Mark Surrige (Mazars) to the meeting to present the Audit Strategy Memorandum for North East Derbyshire District Council for the year ending 31 March 2021.

RESOLVED – That the update be noted.

AUD/ 5/21-22 **CIPFA Fraud and Corruption Tracker Survey Results 2020**

The Internal Audit Consortium Manager presented a report which informed Members of the results of CIPFA's Fraud and Corruption Tracker (CFaCT) survey undertaken in 2020 that provided a picture of fraudulent activity in local government. The report also detailed the level of fraud detected at North East Derbyshire District Council (NEDDC) in 2019/20, and the controls and procedures that NEDDC had in place to mitigate the risk of fraud.

Members discussed fraudulent activity, and the potential for it to happen at the Authority. The Internal Audit Consortium Manager informed the Committee that she would report the results arising from the National Fraud Initiative matches investigated by NEDDC to a future meeting

RESOLVED –

- (1) That the results of CIPFA's Fraud and Corruption Tracker Survey be noted.
- (2) To note that no fraud was detected by NEDDC in 2019/20.
- (3) That the fraud prevention measures that NEDDC has in place be noted.

AUD/ 6/21-22 **Internal Audit Consortium Progress Report on the 2020/21 Internal Audit Plan**

Members were presented with a report which outlined progress made by the Internal Audit Consortium in respect of the 2020/21 Internal Audit Plan.

The Committee discussed Council Tax and Housing Benefit related fraud. It was noted that audits of Council Tax and Housing Benefit would take place in 2021/22.

RESOLVED – That the report be noted.

AUD/ 7/21-22 **Internal Audit Plan 2021/22**

Members were asked to consider and agree the Internal Audit Plan for 2021/22.

The Committee noted that the 2020/2021 Plan was not fully complete due to implications from the Covid-19 Pandemic. Members had a wide ranging discussion on the 2020/2021 Plan, which included days allocated to investigate fraud and corruption, staff recruitment and business grants. It was agreed that the new arrangements in relation to refuse collections would be added to the plan.

RESOLVED – That

- (1) The Internal Audit Plan be agreed
- (2) It be noted that the Plan is provisional and may need adjusting and prioritising in light of any emerging risks.

AUD/ Council Targets Performance Report - Quarter 4

**8/21-
22**

The Information, Engagement and Performance Manager was present at the meeting to report the Quarter 4 outturns for the Council Plan 2019-23 targets.

Members heard that out of the 81 targets, 39 (48%) were on track, 21 (25%) had been affected by Covid-19, 4 (5%) had been achieved (1 behind target date), 2 (2%) were overdue, 1 (1%) had failed in 2020/21, 1 (1%) had not started, and 13 (16%) had been achieved previously.

The Committee discussed Planning Enforcement and Covid-19 affected targets.

RESOLVED – That quarterly outturns against the Council Plan 2019-23 be noted.

AUD/ Corporate Debt Quarter 4

**9/21-
22**

The Head of Finance and Resources and Section 151 Officer presented a report which outlined a summary of the corporate debt position at 31 March 2021.

RESOLVED – That the Audit and Corporate Governance Scrutiny Committee note the report concerning the Council's corporate debt position as at 31 March 2021.

At this point, Councillor N Barker left the meeting.

AUD/ Ethical Investments

**10/2
1-22**

The Head of Finance and Resources and Section 151 Officer presented a report which updated Members on ethical fund management.

The Committee noted that a Bank of England report on ethics was due to be released later in the year. Members requested that ethical investments be brought back to the Committee at a future meeting following the outcome of BoE review.

RESOLVED – That –

- (1) The Audit and Corporate Governance Scrutiny Committee note the report on ethical fund management.
- (2) The Committee consider undertaking a further review following the outcome of the results from the Bank of England's biennial review later this year.

- (3) The Committee receives a report in Q3 in regards to ethical fund management and ESG factors.

AUD/ Forward Plan of Executive Decisions

11/2

1-22 AGREED – That the Forward Plan of Executive Decisions be noted.

AUD/ Matters of Urgency

12/2

1-22 There were no urgent items discussed at this meeting.

AUD/ Date of Next Meeting

13/2

1-22 The next meeting of the Audit and Corporate Governance is scheduled to take place on 28 July 2021.

AUD/ Exclusion of Public

14/2

1-22 RESOLVED –

That the public be excluded from the meeting during the discussion of the following item of business to avoid the disclosure to them of exempt information as defined in Paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006).

AUD/ Killamarsh Leisure Centre

15/2

1-22 *At this point, Councillor S Clough withdrew from the meeting.*

The Committee was presented with a report that provided an overview of the work and decision taken regarding Killamarsh Leisure Centre. The Portfolio Holder for Leisure, Transformation and Climate Change, and the Joint Head of Transformation and Organisation were both present at the meeting to answer questions from Members.

RESOLVED – That –

- (1) The report be noted.
- (2) That the Committee receive periodic reports on the progress of Killamarsh Leisure Centre.