

AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE

MINUTES OF MEETING HELD ON WEDNESDAY, 29 JUNE 2022

Present:

Councillor Martin E Thacker MBE JP (Chair) (in the Chair)

Councillor William Armitage
Councillor Pat Kerry
Councillor Ross Shipman

Councillor Nigel Barker
Councillor Gerry Morley

Also Present:

L Hickin	Managing Director - Head of Paid Service
J Dethick	Director of Finance and Resources & (Section 151 Officer)
J Williams	Head of Internal Audit Consortium
T Scott	Governance and Scrutiny Officer

AUD Apologies for Absence

**1/22-
23**

Apologies for absence were received from Councillors S Clough and K Tait.

AUD Declarations of Interest

**2/22-
23**

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

No Declarations of Interest were received for the meeting.

AUD Minutes of Last Meeting

**3/22-
23**

RESOLVED – That the Minutes of the Audit and Corporate Governance Scrutiny Committee held on 11 May 2022 be approved as a correct record and signed by the Chair.

AUD Car Parking Strategy

**4/22-
23**

The Director of Finance and Resources/Section 151 Officer presented a report updating the Committee on the current position regarding residential car parking on Council owned estates. The report had come as a result of the Committee requesting on 11 May 2022 that a car parking report be produced for the next meeting which specifically included the full list of sites (prioritised according to the approved rankings) and a timeline of when works were scheduled for.

The Director of Finance and Resources/Section 151 Officer explained that a working group of Members and officers had been established to prioritise areas for future car park consideration, and this would be done on an annual basis if resources allowed.

Members discussed the list of areas being created annually, and it was felt that the list should be created with the next 2-3 years in mind instead.

The Chair believed that the criteria to rank the parking locations that would benefit from improvement (1.5 of the report) was too simplistic.

The Committee agreed that the report did not include the list of car parking sites or timeline they had asked for on 11 May 2022, and requested that this be included in the next Car Parking update to the Committee.

RESOLVED – That the update be noted.

AUD **Audit Strategy Memorandum**

**5/22-
23**

The Director of Finance and Resources/Section 151 Officer presented a report on behalf of Mazars which set out the Mazars Audit Strategy Memorandum for the year ending 31st March 2022. The report explained that the Audit was on track to be completed by November 2022.

RESOLVED – That the update be noted.

AUD **Internal Audit Annual Report**

**6/22-
23**

The Head of the Internal Audit Consortium presented a report which allowed Members to consider the Internal Audit Consortium Annual Report 2021/22.

Members were informed that the table in Appendix 1 set out the 18 areas that had Internal Audit reports issued in 2021/22.

The Chair was concerned that in Appendix 2 (Comparison of Planned Work Completed) the two important issues of Council Tax and Business Grants had been marked as deferred. The Head of the Internal Audit Consortium explained that the Audit of Council Tax would be picked up in July 2022, and Internal Audit had complete confidence in the Revenues team until then. The Business Grants Audit would be deferred because Internal Audit did not want to duplicate the many new Government checks in place.

The Chair was also concerned about Business Continuity being deferred in the Appendix 2 table. The Head of the Internal Audit Consortium explained that Internal Audit felt the Audit of the Business Continuity plan had been covered by Audits of other areas. The Managing Director added that the Business Continuity Audit was also deferred due to staff changes at Derbyshire County Council that provided a Business Continuity and Emergency Planning service to the Council.

RESOLVED – That the update be noted.

AUD **Internal Audit Progress Report**

**7/22-
23**

The Head of the Internal Audit Consortium presented a report which allowed Members to consider a progress report in respect of the 2021/22 Internal Audit

Plan.

RESOLVED – That the update be noted.

AUD 8/22-23 **CIPFA Publication - Internal Audit Untapped Potential**

The Head of the Internal Audit Consortium presented a report to make Members aware of a recent CIPFA publication titled 'Internal Audit: Untapped Potential'.

The Committee discussed the importance of cyber security, and asked if a Cyber Security Strategy would be put in place by the Council. The Director of Finance and Resources/Section 151 Officer stated that the ICT Service Delivery Manager would be asked if a Strategy was forthcoming.

RESOLVED – That the update be noted.

AUD 9/22-23 **Risk Management**

The Managing Director presented a report updating Members on the current position regarding Risk Management arrangements and the Strategic Risk Register as at June 2022.

Members were concerned that the Register suggested the Council was having issues in terms of employee Recruitment and Retention. The Managing Director stated that this was a risk, and one being experienced across the country in all sectors with regards to recruitment – but the Council was very proactive for recruitment, and also experiencing high retention rates.

The Managing Director referenced work currently in the pipeline which would help address these issues including a 'Talent Pipeline' Strategy, which would set out approaches towards apprenticeships, interns, volunteers, graduates, school leavers and continued employee growth.

The Managing Director informed Members that based on their comments, a report on the steps being taken for employee retention would be presented to the Committee later in the year.

RESOLVED – That the update be noted.

AUD 10/22-23 **Medium Term Financial Plan Outturn**

The Director of Finance and Resources/Section 151 Officer presented a report to inform Members of the contents of the Financial Outturn 2021/22 report to be presented to Cabinet on 7 July 2022.

Members discussed the possibility of paying debts to the Public Works Loan Board back early, but the Director of Finance and Resources/Section 151 Officer advised that doing so would incur a financial penalty from the Government.

Members asked how many houses had been sold in the last year. The Director of Finance and Resources/Section 151 Officer explained that 83 were sold in

2021/22 and the average houses sold per annum were 70 to 80.

Members discussed the pros and cons of using reserves to balance budgets. The Director of Finance and Resources/Section 151 Officer advised that using reserves should not be a long-term solution, but it was acceptable to use reserves to fund one-off and/or short term budget falls or to meet funding gaps when budget setting.

Members mentioned the case of a resident who had not paid any Council Tax. The Director of Finance and Resources/Section 151 Officer explained that Finance were aware of the case and the delay was a result of backlogs at the valuation office. In such cases the resident would be issued with a Council Tax account and an indicative Council Tax Base to allow them to commence making payments while the banding was resolved.

RESOLVED – That the update be noted.

AUD **Committee Work Programme**

11/2

2-23

The Committee agreed to add one item to the draft 2022/23 Work Programme, which was (as discussed in the 'Car Parking Strategy' item) an update on the Car Parking Strategy scheduled for the meeting on 28 September 2022. This update would also include the list of car parking sites and timeline requested by the Committee on 11 May 2022.

RESOLVED – That

1. The Work Programme be noted.
2. One item be added to the 2022/23 Work Programme, which was an update on the Car Parking Strategy scheduled for the meeting on 28 September 2022. This update would also include the list of car parking sites and timeline requested by the Committee on 11 May 2022.

AUD **Forward Plan of Executive Decisions**

12/2

2-23

RESOLVED – That the Forward Plan of Executive Decisions be noted.

AUD **To consider any other items which the Chair is of the opinion should be considered as a matter of urgency.**

13/2

2-23

There were no urgent items to be discussed at the meeting.

AUD **Date of Next Meeting**

14/2

2-23

The next meeting of the Audit and Corporate Governance Scrutiny Committee will be 27 July 2022 at 3.00 pm.