

## **AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE**

### **MINUTES OF MEETING HELD ON WEDNESDAY, 15 FEBRUARY 2023**

#### **Present:**

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

Councillor Nigel Barker  
Councillor Paul Parkin  
Councillor Kevin Tait

Councillor Pat Kerry  
Councillor Ross Shipman

#### **Also Present:**

L Hickin	Managing Director - Head of Paid Service
J Dethick	Director of Finance and Resources & (Section 151 Officer)
K Drury	Information Engagement & Performance Manager
L Kerry	Senior Audit Officer
T Scott	Governance and Scrutiny Officer

#### **AUD Apologies for Absence**

**64/2**

**2-23** Apologies for absence were received from Councillor W Armitage and Councillor G Morley.

#### **AUD Declarations of Interest**

**65/2**

**2-23** 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**

**66/2**

**2-23** RESOLVED – That the Minutes of the Audit & Corporate Governance Scrutiny Committee held on 18 January 2023 be approved as a correct record and signed by the Chair.

#### **AUD Verbal Update of the External Auditors - Mazars**

**67/2**

**2-23** The Director of Finance and Resources & Section 151 Officer informed Members that Mazars representatives would not be in attendance for this meeting.

The Director of Finance and Resources & Section 151 Officer informed Members that the Annual Audit Letter had been circulated to the Committee and the Chair had signed its approval, so it would next be considered at the Council meeting on 6 March 2023.

RESOLVED – That the Committee noted the verbal update from the Director of Finance and Resources & Section 151 Officer.

**AUD**     **Internal Audit Progress Update**

**68/2**

**2-23**

The Senior Auditor presented a progress report in respect of the 2022/23 Internal Audit Plan.

Members were informed that no issues relating to fraud were identified. In addition, not all of the audits included in the plan would be completed by the year end, and the outstanding audits would be considered for inclusion in the 2023/24 Internal Audit Plan on a risk basis.

Members were also informed that the Council had appointed a new Auditor that was due to start their role in the coming days.

RESOLVED – That the Committee noted the report.

**AUD**     **Monitoring the Implementation of Internal Audit Recommendations**

**69/2**

**2-23**

The Senior Auditor presented a report with a summary of the internal audit recommendations made, implemented and outstanding for the financial years 2019/20 to date.

The Senior Auditor explained that some of the ICT related targets were being postponed while ICT completed the implementation of Microsoft 365. The Director of Finance and Resources & Section 151 Officer added that ICT were also experiencing staffing issues.

The Senior Auditor referred to the mention of Coney Green Business Centre in the Appendices and explained that Internal Audit had received no update from the Centre since September 2022. Members felt that their failure to update needed to be chased up by officers. The Managing Director and the Senior Auditor confirmed this was being dealt with by officers.

RESOLVED – That the Committee noted the report.

**AUD**     **Performance Management**

**70/2**

**2-23**

The Information, Engagement and Performance Manager presented a report on the Quarter 2 outturns for the Council Plan 2019-2023 targets.

Out of the 77 targets:

- 42 (55%) targets were on track
- 2 (2%) targets had been achieved this time, and 29 (38%) achieved previously
- 4 (5%) targets had been flagged as on alert as they may not achieve their intended yearly outturn

The targets on alert were:

1. SER 19 - Achieve a combined recycling and composting rate of 50% by March 2023

2. RES 03 - Increase participation in leisure activities at leisure centres by 5000 visits per year
3. RES 30 - Provide 10 waste, recycling and environmental advice to schools and community events per year
4. RES 31 - Support at least 6 school climate change projects per year

Members were informed that the reason the RES 31 target had been missed was because schools' main priority was recovering from COVID. The Chair did not feel this was the case and recounted recent experiences of schools being heavily involved in ecological issues. The Information, Engagement and Performance Manager agreed to check with the officer involved with the target to ensure the reason was accurate.

The Chair referred to target RES 24 (Develop the British Sign Language Action Plan by April 2020 for implementation in full by December 2023) and did not feel this target should be marked as 'achieved' because he felt the deaf community had not been consulted on the content of the Plan. The Managing Director agreed to investigate if this was the case. The Information, Engagement and Performance Manager added that the Council took the deaf community very seriously.

Members asked if it would be possible to produce performance data for each leisure facility in the District, and then produce a table comparing the performance of each one before and after the COVID pandemic. The Managing Director stated that officers would be requested to produce this table.

Members enquired if the 'satisfaction survey' quoted in the data included every leisure facility. The Managing Director confirmed it did include them all, and the survey would be circulated to the Members of the Committee.

Members enquired if there were any particular environmental or recycling challenges coming in the future. The Managing Director explained that provisions from the Environment Act 2021 would be introduced in the coming months, and a breakdown would be produced for the Committee to explain the changes this would mean.

Members suggested that the targets in the Council Plan should be more open to review, and each target should go into more detail in performance updates instead of whether or not it had been achieved. The Managing Director responded by stating that the Plan could be made more dynamic to allow Members earlier input, and the targets could be presented in a more transparent fashion.

RESOLVED – That the Committee noted the report.

**AUD** **Risk Management**

**71/2**

**2-23**

The Managing Director presented a report on the current position regarding Risk Management arrangements and the Strategic Risk Register as at February 2023.

Members enquired if the Council had a vehicle reversing policy. The Managing Director confirmed the Council did have a reversing policy, and each vehicle had CCTV cameras to ensure they adhered to it.

Members referred to the mentions in the report on fire safety and enquired if the Council referred its tenants to Fire Derbyshire for training. The Managing Director confirmed this was the case.

Members agreed that to make provisions for devolution in the future, the Risk Management Group should review the risk register to ensure it allows the flexibility to oversee all future possibilities that might significantly change the Council, including devolution.

#### RESOLVED –

(1) That the Committee noted the report.

(2) The Risk Management Group should review the risk register to ensure it allows the flexibility to oversee all future possibilities that might significantly change the Council, including devolution.

#### **AUD     Financial Monitoring**

**72/2**

**2-23**

The Director of Finance and Resources & Section 151 Officer explained that the purpose of the report was to update the Committee on the financial position at Quarter 3. Appendices 1 and 2 summarised the General Fund position, and the report would be presented to Cabinet on 2 March 2023.

Members were informed that the General Fund was £117,000 under spent at Q3. The main variances were detailed in the report at 2.4 – 2.6, and they showed that variances at Q3 were generally not material in nature as they were measured against the recently revised budget. Pay budget savings made up a large proportion of the under spend. Income was lower than forecast at the newly opened Killamarsh Active, but this was covered by savings in pay costs.

Members were also informed that there were very few variances of note on the Housing Revenue Account, and Appendix 4 detailed capital expenditure incurred on a scheme-by-scheme basis. Details of variances could be found at 2.15. There was nothing of concern to report.

Appendix 5 provided a report on the Treasury Management activity for Q3.

Members referred to the proposed 2022/23 budget listed for Dronfield Café (£1.191 overspend) in Appendix 2 and asked why this was so different to the actual budget of £9,838 underspend. The Director of Finance and Resources & Section 151 Officer agreed to investigate the cause of the difference.

Members referred to the mention of ‘vehicle repair charge’ and asked exactly what this involved. Members were informed that it referred to repairs to Council vehicles.

Members referred to the 'fly tipping budget' and asked if this included legal costs. Members were informed that the legal costs were captured in a separate legal costs budget.

RESOLVED – That the Committee noted the report.

**AUD** **Corporate Debt**

**73/2**

**2-23**

The Director of Finance and Resources & Section 151 Officer presented a summary of the corporate debt position as at 31 December 2022.

RESOLVED – That the Committee noted the report.

**AUD** **Proposed Accounting Policies**

**73/2**

**2-**

**231**

The Director of Finance and Resources & Section 151 Officer presented a report seeking approval of the accounting policies to adopt for the current financial year in the preparation of the Statement of Accounts 2022/23.

RESOLVED –

(1) That the Committee approved the report.

(2) Members noted that any proposed amendments or changes to these policies would be reported back to this Committee, together with an explanation for the reasons a change was considered to be appropriate and detailing any financial implications of the amendments.

**AUD** **Committee Work Programme 2022-23**

**74/2**

**2-23**

The Chair informed Members that the next meeting of the Committee in the Work Programme for 10 May 2023 would not take place because of the District election.

Members agreed that issues in the Work Programme 2022-23 that had not yet been resolved should be carried over to the Work Programme 2023-24.

RESOLVED –

(1) That issues in the Work Programme 2022-23 that had not yet been resolved should be carried over to the Work Programme 2023-24.

(2) That the Committee noted and approved the Audit and Corporate Governance Scrutiny Work Programme for the remainder of the 2022/2023 municipal year as set out in the attached Appendix 1.

**AUD** **Forward Plan of Executive Decisions**

**75/2**

**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  
**76/2** considered as a matter of urgency.  
**2-23**

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

**AUD** Date of Next Meeting

**77/2**

**2-23** To be confirmed.