

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

### **MINUTES OF MEETING HELD ON WEDNESDAY, 28 SEPTEMBER 2022**

#### **Present:**

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

Councillor William Armitage  
Councillor Stephen Clough  
Councillor Ross Shipman

Councillor Nigel Barker  
Councillor Pat Kerry

#### **Also Present:**

J Dethick	Director of Finance and Resources & (Section 151 Officer)
D Johnson	Assistant Director of Property, Estates and Assets
J Williams	Head of Internal Audit Consortium
T Scott	Governance and Scrutiny Officer

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

**28/2**

**2-23** Apologies for absence were received from Councillors G Morley and K Tait.

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

**29/2**

**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**

**30/2**

**2-23** RESOLVED – That the Minutes of the Audit & Corporate Governance Scrutiny Committee held on 27 July 2022 be approved as a correct record and signed by the Chair, subject to a clarification that Councillor Martin E Thacker MBE JP should be included as ‘in the Chair’ for the meeting.

#### **AUD Car Parking on Council Owned Housing Estates**

**31/2**

**2-23** The Assistant Director of Property, Estates and Assets presented a report further updating the Committee on the Council’s ongoing strategy for the provision of HRA car parking schemes throughout the District.

Members discussed the content of the report. They began by focusing on the list of car parking sites in Appendix 2. The Assistant Director of Property, Estates and Assets emphasised that the purpose of the report was for Members to consider the assessment criteria instead of discussing individual sites.

The Chair felt that this report was more transparent in comparison to other reports delivered to the Committee on the same issue.

Members discussed the content of the HRA Car-Parking Schemes Assessment Flowchart in Appendix 2. They felt the proportion 'Assess on %HRA' noted in the flowchart at 80% should be brought down to 60%. The Director of Finance and Resources & Section 151 Officer advised that the HRA land requirement should be kept at at least 70% because of the requirements of the HRA ringfence.

The Chair requested that the Committee should be presented with a list of the sites most recently to be enacted for the next 2-3 years.

Members felt that the HRA land requirement figures should consider local demographics and contexts.

Members referred to the part of the flowchart that read 'Fewer than 50% responses agree need' and '50% + agree there is a need' and asked what exactly the 50% was a proportion of. The Assistant Director of Property, Estates and Assets explained that it would be 50% of the houses in the initial assessment. The Chair believed that this should instead be 50% of the people who responded.

#### RESOLVED – That

1. The Committee noted the content of the report and the revised strategy/assessment criteria proposals.
2. An annual update report shall be taken to Cabinet each financial year (commencing 2023/24) advising on the status of the programme and the proposed schemes to be brought forward for that year.
3. The Committee agreed that the HRA land requirement should be a minimum of 70%, although there should be an element of flexibility that could be applied due to localised situations.

**AUD  
32/2  
2-23**

#### **Annual Governance Statement and Code of Corporate Governance 2020/21**

The Director of Finance and Resources & Section 151 Officer presented a report seeking: the agreement of the Committee to the conclusions and content of the Annual Governance Statement, to review the Local Code of Corporate Governance, and to increase awareness of Governance issues amongst Members and Employees of the Council and more generally amongst all stakeholders.

The Chair referred to the mention of 'Northwood' in the Performance Management section of Appendix 1, and felt this part should sound less assumptive.

Members referred to the part of the document that read "Efficiencies of £4.6m need to be identified by March 2026 as identified in the Medium Term Financial Plan (MTFP)" and were concerned at the size of the amount. The Director of Finance and Resources & Section 151 Officer explained that this shortfall was a challenge, and the Council continued to face other challenges such as the annual pay settlement, inflationary increases and rising utility costs.

The Chair felt that the Committee needed to consider Cabinet's plan to address the significant budget shortfall. The Director of Finance and Resources & Section

151 Officer confirmed that the Medium Term Financial Plan would include this.

**RESOLVED** – That

1. The Audit and Corporate Governance Scrutiny Committee have considered the draft Annual Governance Statement as set out in Appendix 1 and made any observations or recommendations which they consider to be appropriate prior to the final version being incorporated within the Council's Statement of Accounts. An annual update report shall be taken to Cabinet each financial year (commencing 2023/24) advising on the status of the programme and the proposed schemes to be brought forward for that year.
2. The Audit and Corporate Governance Scrutiny Committee approved the local Code of Corporate Governance as set out in Appendix 2.
3. The Audit and Corporate Governance Scrutiny Committee having reviewed the effectiveness of the Governance Framework were satisfied that the Council's governance and internal control arrangements are fit for purpose.
4. That delegated powers were granted to the Chief Financial Officer in consultation with the Chair of the Audit and Corporate Governance Scrutiny Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors Mazars to ensure completion of the Statement of Accounts by the statutory deadline of 30 November 2022.

**AUD** **Review of the Work Programme**

**33/2**

**2-23**

The Director of Finance and Resources & Section 151 Officer presented the Work Programme for 2022-23.

Members enquired if 'Car Parking on Council Owned Housing Estates' would need to appear again on a future agenda. The Chair felt that everything on the topic had been covered earlier at this meeting.

**RESOLVED** – That the Committee notes and approves 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** **Internal Audit Progress Update**

**34/2**

**2-23**

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

The Head of the Internal Audit Consortium explained that as recommended by the external review of internal audit, internal audit assurance levels had now been linked to the Council's risk appetite as defined in the risk management strategy. Members were also informed that the Internal Audit Consortium was currently a Senior Auditor short.

Members enquired how the Internal Audit Consortium audited recruitment and selection. The Head of the Internal Audit Consortium explained that they audited the processes and policies.

RESOLVED – That the Committee noted the report.

**AUD 35/2** **Monitoring the Implementation of Internal Audit Recommendations**

**2-23** The Head of the Internal Audit Consortium presented a summary of the internal audit recommendations made and implemented for the financial years 2019/20 to date.

The Chair referred to the recommendation ‘Gifts and Hospitality – October 2019’ (putting Members’ gifts and hospitality declarations online) and enquired if this had been progressed. The Director of Finance and Resources & Section 151 Officer was requested to ask Governance if this would be completed soon.

RESOLVED – That the Committee noted the report.

**AUD 36/2** **Review of the Internal Audit Charter**

**2-23** The Head of the Internal Audit Consortium presented a report on the results of a review of the Internal Audit Charter. The Public Sector Internal Audit Standards (PSIAS) stated that the Head of Internal Audit must periodically review the Internal Audit Charter and present it to the relevant Committee for approval.

RESOLVED – That

1. Members noted the outcome of the review of the Internal Audit Charter.
2. The Internal Audit Charter was agreed.
3. The agreed Internal Audit Charter be reviewed in a years’ time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

**AUD 37/2** **Forward Plan of Executive Decisions**

**2-23** RESOLVED – That the Forward Plan of Executive Decisions be noted.

**AUD 38/2** **To consider any other items which the Chair is of the opinion should be considered as a matter of urgency.**

**2-23**

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

**AUD 39/2** **Date of Next Meeting**

**2-23** The next meeting of the Audit and Corporate Governance Scrutiny Committee will be 9 November 2022 at 3.00 p.m.