

AUDIT COMMITTEE

MINUTES OF MEETING HELD ON MONDAY, 4 DECEMBER 2023

Present:

Councillor Christine Smith (Chair) (in the Chair)
Councillor David Cheetham (Vice-Chair)

Councillor Gerry Morley

Councillor Alex Dale

Also Present:

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

AUD/ Apologies for Absence

11/2

3-24 An apology for absence was received from Councillor Martin E Thacker MBE JP.

AUD/ Declarations of Interest

12/2

3-24 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.

AUD/ Minutes of Last Meeting

13/2

3-24 RESOLVED – That the Minutes of the Audit Committee held on 3 July 2023 be approved.

AUD/ Risk Management Report

14/2

3-24 The Managing Director presented a report to update Members on the current position regarding Risk Management arrangements and the Strategic Risk Register as at November 2023.

The report included an update on the last meeting of the Risk Management Group on 9 August 2023, at which the Group discussed the Review of the Rykneld Homes Operational Risk Register and the Zurich Risk Management Health Check Review (RMS11). The Managing Director provided an update on RMS11 by stating that the external report was positive, and the Council was given a Level 4 assessment ('very good').

Members were informed of amendments made to the Risk Register, and also that

the Northwood development risk (STR20) had been kept on the Register despite the construction partner relationship ending. The Risk Management Group felt that with development back underway, keeping it on the Register would ensure progress was being made.

The Managing Director referred to 1.12 in the report (the 'limited' report in Environmental Health Pollution and Control) and explained that a reason for Internal Audits was in order to identify areas for improvement.

Members referred to STR17 (Asylum Dispersal Area) and asked if the Council had been contacted by the Government or SERCO about revising the model. The Managing Director stated that neither had contacted the Council about it yet.

The Chair referred to STR77 ('Ineffective Engagement with local communities and stakeholders') and felt the amount of work to reverse this would be significant.

RESOLVED - That the Audit Committee noted the report and the Strategic Risk Register as at November 2023.

AUD/ Safeguarding Update

15/2

3-24

Members were presented with a report which updated them on Safeguarding arrangements and deferrals. Members were informed that the Safeguarding updates to the Audit Committee were now set out in a separate report rather than being included in the Risk Management report.

The Managing Director referred to paragraph 1.2 of the report ('Referral Issues Identified') and explained that the Council had been receiving a number of referrals which should have been reported directly to Derbyshire County Council. This had been resolved by asking Derbyshire County Council to amend guidance on their website.

The Managing Director informed Members that for the Council's Safeguarding Policy (paragraph 1.4), the Council no longer had its own Policy because the Derbyshire District Safeguarding Leads Sub Group had agreed for a single Safeguarding Policy to be shared by all local authorities across the County.

Members considered the 'Key Activities' for 2023/24 (paragraph 1.9), which included:

- Landlord Safeguarding Training procedure for implementation.
- Derbyshire-wide Safeguarding Policy implemented.
- Safeguarding training to continue.
- Training, learning and development assurance exercise. To understand what safeguarding training each authority is accessing and delivering in order to develop consistency where possible and identify gaps.
- Annual review of Safeguarding Policy template.
- Section 11 Audit completion.

Members referred to paragraph 1.5 and the Training for Private Landlords, and asked of other ways the Council planned to extend Safeguarding knowledge to them. The Director of Finance and Resources explained that there was an

existing Private Landlord Forum, and the Council wished to develop it further for this reason.

RESOLVED - That the Committee noted the update.

AUD/ **Annual Statement of Accounts 2022/23**

16/2

3-24

The Director of Finance and Resources presented a report to Members proposing approval of the audited Statement of Accounts for 2022/23 and the delegation of powers to the Director of Finance and Resources.

Members were advised that the Statement of Accounts represented the Council's statutory documentation of incomes and balances during the financial year, and its balances at the end of the year.

RESOLVED -

(1) That the Audit Committee approved the audited Statement of Accounts in respect of 2022/23.

(2) That delegated powers were granted to the Director of Finance & Resources (S151 Officer) in consultation with the Chair or Vice Chair of the Audit 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.

AUD/ **Going Concern Report 2022/23**

17/2

3-24

The Director of Finance and Resources presented a report to Members proposing acceptance of the assessment of the Council as a 'going concern' for the purposes of producing the 2022/23 accounts.

Members were referred to paragraph 2.13 in the report, which explained the formation of a Resilience Reserve to help mitigate losses caused by reduced Government funding and wider budget pressures.

RESOLVED – That the Audit Committee accepted the outcome of the Council's Section 151 Officer's assessment of the Council's 'going concern' status for the purpose of preparing the Statement of Accounts for 2022/23.

AUD/ **Audit Completion Report - Mazars**

18/2

3-24

The Engagement Lead of external auditor Mazars presented the Council's Audit Completion Report for the year ending 31 March 2023.

Members referred to 'Members have not completed declaration of interests' being noted on Page 18 of the Audit Completion Report, and asked what the Management response to this had been. The Director of Finance and Resources explained that the Management response to this point was within the Completion Report. The response reasoned that the District Election in May 2023 had caused issues with completed declaration forms, because a large proportion of those not returned were from elected Members who were subsequently not elected.

RESOLVED –

- (1) That the Audit Committee noted the attached report from the Council's external auditors Mazars.
- (2) That the Audit Committee approved the draft Letter of Representation contained within the Audit Completion Report and authorised the Director of Finance & Resources (S151 Officer) to sign the letter on behalf of the Council.

AUD/ Internal Audit Annual Report

19/2

3-24

The Head of the Internal Audit Consortium presented a report to Members summarising the Internal Audit work undertaken during 2022/23.

The Head of the Internal Audit Consortium explained that the areas not completed from the 2022/23 plan were carried forward to the 2023/24 plan and had now been completed.

Members enquired if there was an update on Internal Audit staff vacancies being filled. Members were informed that an advertisement had been released for one post.

RESOLVED – That the Internal Audit Consortium Annual Report for 2022/23 was accepted.

AUD/ Monitoring the Implementation of Internal Audit Recommendations

20/2

3-24

The Head of the Internal Audit Consortium presented a report to Members summarising the Internal Audit recommendations made, implemented and outstanding for the financial years 2020/21 to now.

RESOLVED – That the report was noted.

AUD/ Treasury Management Quarterly Update

21/2

3-24

The Director of Finance and Resources presented a report to Members providing a Treasury Management update.

The Director of Finance and Resources explained that at the Audit Committee meeting on 3 July 2023, the Committee asked for a review of the current Treasury Management strategy in relation to investments to assess the range of investment opportunities available. This review had now been undertaken and was included in the attached update report.

RESOLVED – That the Audit Committee noted the report.

AUD/ Committee Work Programme

22/2

3-24

The Director of Finance and Resources presented the draft Work Programme 2023/24 for Member approval.

The Chair enquired if Mazars would be included in the agenda for the next meeting on 22 January 2024. The Director of Finance and Resources explained that an External Audit Progress Report was included for the 22 January 2024 meeting in the draft Work Programme.

RESOLVED – That the Committee noted and approved the proposed Audit Committee Work Programme for 2023/2024 as set out in the attached Appendix 1.

AUD/ Urgent Matters (Public)

23/2

3-24 None.

AUD/ Exclusion of Public

24/2

3-24 RESOLVED – That the public were 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/ Internal Audit Progress Report

25/2

3-24 The Head of the Internal Audit Consortium presented a progress report in respect of the 2022/23 and 2023/24 Internal Audit Plans.

RESOLVED –

(1) That the report was noted.

(2) That the Commercial Waste audit replace the Grounds Maintenance audit in the 2023/24 plan and that the Grounds Maintenance Audit be deferred to 2024/25.

AUD/ Urgent Matters (Private)

26/2

3-24 None.

AUD/ Date of Next Meeting

27/2

3-24 The next meeting of the Audit Committee was scheduled to take place on 3.00 pm 22 January 2024.