

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

Minutes of a meeting of the Audit & Corporate Overview Scrutiny Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Friday, 30 September 2022 at 10:00 hours.

PRESENT:-

Members:-

Councillor Tom Munro in the Chair

Councillors Chris Kane and Graham Parkin.

Officers:- Karen Hanson (Executive Director of Resources) (to Minute No. ACO33-22/23), Theresa Fletcher (Head of Finance & Resources/Section 151 Officer), Jim Fieldsend (Monitoring Officer) (Jenny Williams (Head of Internal Audit Consortium), Joanne Wilson (Scrutiny & Elections Officer), Amar Bashir (Improvement Officer) (to Minute No ACO39-22/23 and Alison Bluff (Interim Governance Manager).

Also in attendance at the meeting was Councillor Clive Moesby (Portfolio Holder for Finance) and Mark Surridge (MAZARS).

ACO23-22/23 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Jane Bryson, Donna Hales, Peter Roberts and Ruth Jaffray (Coopted Member).

ACO24-22/23 URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

ACO25-22/23 DECLARATIONS OF INTEREST

There were no declarations of interest made.

ACO26-22/23 MINUTES – 26TH JULY, 2022

Moved by Councillor Graham Parkin and seconded by Councillor Tom Munro
RESOLVED that the Minutes of an Audit and Corporate Overview Scrutiny Committee held on 26th July 2022 be approved as a correct record.

ACO27-22/23 LIST OF KEY DECISIONS AND ITEMS TO BE CONSIDERED IN PRIVATE

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin

RESOLVED that the list of Key Decisions and items to be considered in private document be noted.

ACO28-22/23 REPORT TO THOSE CHARGED WITH GOVERNANCE - MAZARS AUDIT COMPLETED REPORT

Committee considered a detailed report presented by Mark Surridge from Mazars, the Council's external auditors, in relation to their audit work for the year ending 31st March 2022.

Mazars' work on the Council's financial statements was substantially complete and there were currently no matters of which they were aware that would require modification of their audit opinion, subject to the outstanding matters as detailed in their report. One of these matters was in relation to the Derbyshire Pension Fund as Mazars were yet to receive the final report from the pension fund auditor for consideration and completion of the testing required.

Mazars were pleased to report that there were no unadjusted misstatements identified during the course of the audit work to date above the trivial reporting threshold of £40k. Mazars would update the Committee if any reportable misstatements were identified as a result of the remaining work as summarised at page 7 of their report.

In relation to value for money, Mazars were yet to complete their work in respect of the Council's arrangements for the year ended 31st March 2022. However, at the time of their report, they had not identified any significant weaknesses in arrangements that required them to make a recommendation.

The Portfolio Holder for Finance noted the number of Covid grants issued and how staff had worked extremely hard and gone the extra mile to pay these out to eligible people. The Chair echoed this and agreed that the work of staff had been exceptional.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin

RESOLVED that the report be noted.

ACO29-22/23 STRATEGIC RISK REGISTER AND PARTNERSHIP ARRANGEMENTS

Committee considered a detailed report which provided an update on the Council's current position regarding its risk management arrangements.

The Council's Risk Management Strategy, which was approved by Executive in March 2020, had recently been reviewed and refreshed and was appended to the report along with the Council's Strategic Risk Register.

The Strategy detailed the work of the Risk Management Group (RMG), which was chaired by the Portfolio Holder for Finance, and provided a comprehensive oversight of risk throughout the organisation.

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

The RMG oversaw all Council operational and strategic risk registers ensuring they were up to date and accurate whilst offering challenge to the assessment process itself. The RMG was responsible for risk management reporting to stakeholder groups across the Council including the Audit and Corporate Overview Scrutiny Committee and supported the production of the Annual Governance Statement. The RMG led on the development and review of all risk related policies, plans and strategies across the Council and oversaw and championed the implementation of the Risk Management Strategy and associated action plan.

The refreshed action plan was contained within the Risk Management Strategy 2022, and the actions outlined for the Risk Management Group were as follows:

- Develop an annual programme of operational risk register reviews to ensure all are reviewed every 12 months
- Further develop project and partnership risk management arrangements and reporting to the RMG
- Develop and undertake refreshed risk management awareness training for all staff
- Develop and undertake risk management awareness training for all Members (as part of the induction training following the Elections in May 2023)

The Portfolio Holder for Finance noted that the RMG meetings were good meetings and he thanked the Executive Director of Resources for the work which had been done on the Register.

Further to a query from the Chair, it was agreed that he would attend any future Risk Management meetings as an observer.

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane
RESOLVED that the report be noted.

RECOMMENDED that the refreshed Risk Management Strategy be presented to Executive for approval.

(Executive Director of Resources/Interim Governance Manager)

ACO30-22/23 ANNUAL CORPORATE GOVERNANCE STATEMENT AND LOCAL CODE OF CORPORATE GOVERNANCE

Committee's approval was sought for the Annual Governance Statement which would be incorporated within the Council's Statement of Accounts for 2021/22 as the Council was required to do.

Preparation of the Statement needed to be undertaken in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) framework, which set out the fundamental principle of corporate governance that needed to be addressed.

Members were advised that some final changes may be required to the Annual

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

Governance Statement before the Statement of Accounts was authorised for issue by the Section 151 Officer. It was therefore recommended that delegated powers be given to the Section 151 Officer, in consultation with the Chair or Deputy Chair of ACOSC, to agree any final changes which would relate to amendments agreed with the Council's external auditors Mazars.

Moved by Councillor Graham Parkin and seconded by Councillor Chris Kane

RESOLVED that (1) the draft Annual Governance Statement as set out in Appendix 1 to the report be noted,

(2) having reviewed the effectiveness of the Governance Framework, Members are satisfied that the Council's governance and internal control arrangements are fit for purpose,

(3) delegated powers be granted to the Section 151 Officer, in consultation with the Chair or Deputy Chair of ACOSC, 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 30th September 2022.

(Section 151 Officer)

ACO31-22/23 REPORT OF INTERNAL AUDIT - SUMMARY OF PROGRESS ON THE INTERNAL AUDIT PLAN

Committee considered a detailed report which advised of the progress made on the 2022/23 Internal Audit Plan.

Appendix 1 to the report set out a summary of reports issued to date in respect of the 2022/23 Internal Audit Plan. Each report showed the level of assurance given and the number of recommendations made / agreed where a full response had been received.

The definitions of the assurance levels used were set out in the report and Committee was asked to note a new level of assurance that had been introduced which was 'inadequate assurance'. These assurance levels had now been linked to definitions of risk within the risk management strategy.

During this period 4 reports had been issued, 2 with substantial assurance and 2 with reasonable assurance. No issues relating to fraud were identified

Appendix 2 to the report provided full details of the audits completed and those in progress. Committee was asked to note that due to workloads in the Licensing section the taxi licensing audit had been deferred to November and treasury management and corporate targets would be looked at in its place. Further, to avoid any repetition of work, the audit of Homelessness was also on hold as the Housing section had recently received a visit from the Department for Levelling Up, Housing and Communities (DLHUC), who had provided feedback on the Homelessness section and procedures. The Internal Audit Consortium Manager requested Committee's agreement to defer the audit to 2023 where any recommendations made by the DLHUC would be picked up as

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

well as any recommendations made from internal audit.

Committee was asked to note that progress against the plan had been impacted by the departure of a BDC auditor in May 2022. A new auditor had been appointed in August 2022, however, initially audits would take longer to complete as training took place.

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane

RESOLVED that the report be noted and the audit of Homelessness be deferred until 2023.

(Internal Audit Consortium Manager)

ACO32-22/23 IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

Committee considered a detailed report which provided a summary of internal audit recommendations made and implemented, for the financial years 2020/21, 2021/22 and 2022/23 to date.

Internal Audit made recommendations to improve the governance, risk and control processes in place. It was important to monitor the implementation of these recommendations to improve the control environment and to reduce the risk of fraud and error.

Appendix 1 to the report provided an analysis of the number of recommendations made and implemented for the financial years 2020/21, 2022/23 to date, and summarised the number of recommendations that had been implemented and those that were outstanding.

Members were asked to note that there were no high priority recommendations outstanding, and only 2 medium priority and 3 low priority recommendations outstanding, all of which related to IT. Manager's updates in respect of the overdue recommendations were also detailed in the appendix.

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane

RESOLVED that the report be noted.

ACO33-22/23 REVIEW OF THE INTERNAL AUDIT CHARTER

Committee considered a detailed report which provided information on the results of a review of the Internal Audit Charter.

The Public Sector Internal Audit Standards (PSIAS), which took effect from the 1st April 2013, required that the purpose, authority and responsibility of internal audit must be formally defined in an Internal Audit Charter. The Internal Audit Charter was attached as Appendix 1 to the report.

The current Internal Audit Charter had been reviewed and it was felt that it was still fit for purpose. The only update made was to reflect a change of job title from Internal Audit

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

Consortium Manager to Head of the Internal Audit Consortium.

In response to a query from the Chair regarding issues with recruitment to auditors' posts, the Head of the Internal Audit Consortium advised Members that agency staff would need to be taken on if necessary.

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane

RESOLVED that (1) the outcome of the review be noted and the Internal Audit Charter be agreed,

(2) the Internal Audit Charter be reviewed in 12 months or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

(Head of the Internal Audit Consortium)

ACO34-22/23 BDC STATEMENT OF ACCOUNTS 2021/22

Committee's approval was sought for the audited Statement of Accounts for 2021/22 which was attached as Appendix 1 to the report.

Committee was asked to note that some changes to the Statement of Accounts may still be requested by the external auditor in completing the audit, however, it was anticipated that there would only be limited changes between the version in the appendix and the final Statement of Accounts for 2021/22.

Moved by Councillor Chris Kane and seconded by Councillor Graham Parkin

RESOLVED that (1) the Statement of Accounts as attached at Appendix 1 to the report in respect of 2021/22 be approved,

(2) delegated powers be granted to the Chief Financial Officer, in consultation with the Chair or Deputy Chair of ACOSC, to agree any changes agreed with the Council's external auditors Mazars, which may be necessary to ensure the completion of the Statement of Accounts by 30th November 2022.

(Section 151 Officer)

ACO35-22/23 ASSESSMENT OF GOING CONCERN STATUS

Committee considered a detailed report which provided information on an assessment of the Council as a going concern for the purposes of producing the Statement of Accounts for 2021/22.

The concept of a going concern assumed that an authority's functions and services would continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflected the economic and statutory environment in which local authorities operated. These provisions confirmed that as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

It was considered that having regard to the Council's arrangements and such factors as highlighted in the report that the Council remained a going concern and the Council's accounts for 2021/22 had appropriately been prepared on that basis. The report gave the assessment by the Council's Section 151 Officer in support of presenting the Accounts for approval and provided assurance to Mazars, the Council's external auditor.

Moved by Councillor Chris Kane and seconded by Councillor Graham Parkin

RESOLVED that the Committee accepts the outcome of the assessment of the Council's going concern status for the purposes of preparing the Statement of Accounts for 2021/22.

ACO36-22/23 SCRUTINY ANNUAL REPORT - APPROVAL OF AUDIT & CORPORATE OVERVIEW SECTION

Committee's approval was sought in relation to content to be included in the Scrutiny Annual Report 2021/22 regarding the work of the Committee.

The content to be included in the Scrutiny Annual Report 2021/22, provided an overview of work completed by Members of the Audit & Corporate Overview Scrutiny Committee during 2021/22, and also reviewed the impact of the work completed.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin

RESOLVED that (1) the content regarding the work of the Committee is a true account and be approved for inclusion in the wider Scrutiny Annual Report 2021/22,

(2) other Members and senior officers of the Council to be encouraged to provide feedback to the Scrutiny & Elections Officer on the conduct and impact of the Committee as part of the Committee's Improvement Plan.

(Scrutiny & Elections Officer/ACOSC Members)

ACO37-22/23 ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

Committee considered a detailed report in relation to the Council's Anti-Fraud, Bribery and Corruption policy.

The Council's Anti-Fraud, Bribery and Corruption policy had been updated to take account of all legislative and operational changes to ensure it was fit for purpose.

The policy aimed to help employees (including temporary and agency workers), Members and Co-opted Members to understand their roles in the Council regarding fraud, bribery and corruption. Employees must ensure they adhered to legal and contractual requirements and that all procedures and practices remained above reproach. The policy also aimed to help partners, contractors, suppliers, voluntary organisations and the public, to understand how and when to contact the Council with their concerns.

Training on the policy for new Members following an election would be carried out at inductions stage.

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane

RECOMMENDED that the Anti-Fraud, Bribery and Corruption Policy be presented to Executive for approval.

(Section 151 Officer/Interim Governance Manager)

ACO38-22/23 CORPORATE AMBITIONS PERFORMANCE UPDATE - APRIL - JUNE 2022 (QUARTER 1 - 2022/23)

Committee considered a report which provided the Quarter 1 outturns for the Council's Ambition targets 2020-2024.

Out of the 31 Council plan targets, 22 were on track (71%), 1 achieved its outturn for 2021/22 (3%), 1 was on alert (3%) and 7 had been achieved previously (23%).

Out of the 47 service indicators, 29 had a positive outturn (62%), 14 had a negative outturn (29%) and 4 were within target (8%).

Two new KPI's had been introduced in Housing Management which were; HOU 03 - *Proportion of rent collected (inclusive of all charges e.g. heating, support charges etc)* and HOU04 – *Proportion of current tenants over 12 weeks in arrears*.

The Scrutiny and Elections Officer queried the commentary in the report in relation to HOUS 05 and noted that it appeared to incorporate non-standard voids. The Improvement Officer would look into this and ensure the commentary was clear for future reports.

The Chair referred to CSP 21 - *% Stage 3 complaints responded to in 20 working days (Quarterly)* and noted the outturn of 53% against a target of 100%. He queried if there would be any reassurance for an improved outturn in Quarter 2. The Improvement Officer noted that there had been a significant increase in reviews internally and also that a new officer was in the role of Corporate Complaints Officer. The Scrutiny and Elections Officer also advised that the outturns for Quarters 3 and 4 would be considered by the Customer Services Scrutiny Committee on Monday 10th October.

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane

RESOLVED that the quarterly outturns against the Council Ambition 2020-2024 targets and relevant performance indicators be noted.

The Improvement Officer left the meeting.

ACO39-22/23 AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE WORK PROGRAMME 2022/23

Committee considered their work programme 2022/23.

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane

RESOLVED that the work programme 2022/23 be noted.

AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

The meeting concluded at 11:42 hours.