

## **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 Thursday, 16 March 2023 at 10:00 hours.

### **PRESENT:-**

Members:-

Councillor Tom Munro in the Chair

Councillors: Nick Clarke, Donna Hales, Graham Parkin and Ruth Jaffray (Co-opted Member).

Also in attendance was Councillor Clive Moesby (Portfolio Holder for Finance).

Officers: Theresa Fletcher (Section 151 Officer), Jenny Williams (Head of the Internal Audit Consortium), Kath Drury (Information, Engagement and Performance Manager), Joanne Wilson (Scrutiny & Elections Officer) and Lindsay Harshaw (Governance & Civic Officer).

### **ACO61-22/23 APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of Councillors Jane Bryson, David Downes and Chris Kane.

### **ACO62-22/23 URGENT ITEMS OF BUSINESS**

There were no urgent items of business.

### **ACO63-22/23 DECLARATIONS OF INTEREST**

There were no declarations of interest made.

### **ACO64-22/23 MINUTES - 24TH JANUARY, 2023**

Moved by Councillor Nick Clarke and seconded by Councillor Graham Parkin  
**RESOLVED** that the Minutes of an Audit & Corporate Overview Scrutiny Committee held on 24<sup>th</sup> January 2023, be approved as a correct record.

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

### **ACO65-22/23 LIST OF KEY DECISIONS AND ITEMS TO BE CONSIDERED IN PRIVATE**

Committee considered the List of Key Decisions and items to be considered in private document.

The Scrutiny & Elections Officer highlighted that the Dragonfly Development Ltd. Shareholder Agreement was on the list of key decisions to be considered by Executive on 3<sup>rd</sup> April 2023.

Moved by Councillor Tom Munro and seconded by Councillor Nick Clarke

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

### **ACO66-22/23 AUDITOR'S ANNUAL REPORT 2021/22**

The Portfolio Holder for Finance presented the Auditor's Annual Report 2021/22 which had been prepared by Mazars, the Council's external auditors, for consideration by the Committee. He highlighted that part 3 of the report - Value for Money, overall summary, provided more detail in relation to Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness.

Members requested that the Section 151 Officer extend their thanks to the Finance Team for ensuring that all relevant processes were in place to ensure that the Council was in a good financial position.

Moved by Councillor Nick Clarke and seconded by Councillor Graham Parkin

**RESOLVED** that the Auditor's Annual Report 2021/22 be noted.

### **ACO67-22/23 RISK MANAGEMENT**

The Portfolio Holder for Finance reported that following approval of the Risk Management Strategy by the Audit & Corporate Overview Scrutiny Committee on 30<sup>th</sup> September 2022, the Executive had approved and adopted the Strategy on 31<sup>st</sup> October 2022. It had been recommended that the Risk Management Strategy be reviewed every two years and, therefore, the next review had been scheduled for the autumn of 2024.

Following approval of the Strategy by Executive, the Risk Management Group had responsibility for the Action Plan. The actions outlined for the Risk Management Group were as follows:-

- Develop an annual programme of operational risk register reviews to ensure all were reviewed every 12 months
- Further develop project and partnership risk management arrangements and reporting to the Risk Management Group

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

- 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 Strategic Risk Register included the individual Operational Risk Registers and all departments were required to provide an update on their Risk Registers throughout a twelve month period.

The Terms of Reference for the Risk Management Group had recently been amended to include that in the absence of an Assistant Director, a substitute with the ability to make strategic decisions, must attend in their place.

The Risk Management Group was effective in helping the Council to move forward.

It was noted that risk management training for Elected Members would be organised following the Elections in May 2023.

Moved by Councillor Tom Munro and seconded by Councillor Donna Hales  
**RESOLVED** that the Strategic Risk Register be noted.

### **ACO68-22/23 SUMMARY OF PROGRESS ON THE 2022/23 INTERNAL AUDIT PLAN**

The Head of the Internal Audit Consortium presented a report which included details in relation to progress on the 2022/23 Internal Audit Plan and highlighted that Appendix 1 to the report provided a summary of reports issued in January and February 2023. The Appendix showed for each report the level of assurance given and the number of recommendations made/agreed where a full response had been received. This provided an overall assessment of the system's ability to meet its objectives and manage risk.

Appendix 2 to the report provided full details of the audits completed, those in progress/to be completed this year, and those that would be deferred. The areas not completed in 2022/23 had been considered for inclusion in the 2023/24 Internal Audit Plan on a risk basis.

It was noted that no issues relating to fraud had been identified.

The Portfolio Holder for Finance thanked the Head of the Internal Audit Consortium and her Team for the hard work undertaken.

Moved by Councillor Tom Munro and seconded by Councillor Donna Hales  
**RESOLVED** that the report be noted.

### **ACO69-22/23 IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS**

The Head of the Internal Audit Consortium advised that the purpose of the report was to

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

provide an update on the number of audit recommendations made and implemented and to highlight any areas of concern. 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. It also summarised the number of recommendations that had been implemented and those that were outstanding.

It was noted that the vast majority of recommendations had been implemented, however, one high priority recommendation was outstanding in relation to revisiting the 30 year HRA Business Plan and five other recommendations were outstanding – one in relation to the HRA Business Plan and four relating to the update of IT policies. Manager's updates in respect of the outstanding recommendations were provided at Appendix 1.

A Member queried whether Dragonfly Development Ltd. and the completion of the HRA Business Plan were in the 2023/24 Internal Audit Plan. The Head of the Internal Audit Consortium advised that Dragonfly Development Ltd., was included within the 2023/24 Audit Plan and that the completion of the HRA Business Plan would be tracked through the regular follow up of the implementation of recommendations.

Moved by Councillor Nick Clarke and seconded by Councillor Graham Parkin  
**RESOLVED** that the report be noted.

### **ACO70-22/23      INTERNAL AUDIT PLAN 2023/24**

The Head of the Internal Audit Consortium presented the proposed Internal Audit Plan 2023/24 for approval and highlighted that a summary of details were provided within Appendix 1 to the report.

Resource availability had been based on the Consortium Business Plan that was due to be approved by the Joint Board on 29<sup>th</sup> March 2023. The Plan allocated 483 days to Bolsover District Council for 2023/24, which was the same allocation as 2022/23.

The Head of the Internal Audit Consortium advised the Committee that there were 2 changes to the plan to note.

- 1) The Council Tax audit had been replaced by the Non Domestic Rates Audit. That was because the Council Tax Audit was in progress for 2022/23 but the Non Domestic Rates audit had not been completed in 2022/23.
- 2) The Environmental Health Miscellaneous Licenses audit had been replaced by a Pollution Prevention and Control audit. This audit had not been completed before and following discussions with Environmental Health was felt to add more value.

Moved by Councillor Graham Parkin and seconded by Councillor Nick Clarke  
**RESOLVED** that (1) the Internal Audit Plan for 2023/24 be agreed,

- 2) it be noted that the Plan was provisional and may need adjusting and prioritising in the light of any emerging risks/staff shortages etc.

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

### **ACO71-22/23 COMMITTEE SELF-ASSESSMENT FOR EFFECTIVENESS**

The Section 151 Officer presented a report which informed Members of the reason for suspending the annual committee self-assessment process until 2023/24 financial year and provided an update on the status of the Action Plan that resulted from the previous self-assessment.

It was noted that on 13<sup>th</sup> September 2022, this Committee had approved the Audit & Corporate Overview Scrutiny Committee part of the Scrutiny Annual Report which was presented to Council on 7<sup>th</sup> December 2022, thus satisfying the first outstanding requirement of the Action Plan.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin  
**RESOLVED** that the report be noted.

### **ACO72-22/23 ACCOUNTING POLICIES 2022/23**

The Section 151 Officer reported that the accounting policies adopted by the Council determined the accounting treatment that was applied to transactions during the financial year and in the preparation of the Statement of Accounts at the year end. They determined the specific principles, bases, conventions, rules and practices that would be applied by the Council in preparing and presenting its financial statements.

The approval of the accounting policies to be applied by the Council demonstrated that due consideration was being given to which policies to adopt and apply and that those charged with governance were fully informed prior to the commencement of the Statement of Accounts preparation of the policies that were being adopted.

Moved by Councillor Tom Munro and seconded by Councillor Nick Clarke  
**RESOLVED** that the accounting policies detailed at Appendix 1 to the report, be approved.

### **ACO73-22/23 AMBITION PLAN TARGETS PERFORMANCE UPDATE - OCTOBER TO DECEMBER 2022 (Q3 - 2022/23)**

The Information, Engagement and Performance Manager presented the report of the Quarter 3 outturns for the Council's Ambition targets 2020-24 and highlighted that:-

Out of the 31 targets:

- 20 (65%) were on track
- 3 (10%) had been placed on alert (as unlikely to meet their outturns in 2022/23)
- 8 (25%) achieved previously

Out of the 46 performance indicators:

- 34 (74%) had a positive outturn
- 11 (23%) had a negative outturn
- 1 (2%) was within target

## AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE

The Appendices attached to the report contained the performance outturn as of 31<sup>st</sup> December 2022.

A Member referred to ENV.03 – Achieve a combined recycling and composting rate of 43% by March 2024, and raised concern with achieving the target without intervention and commitment from Central Government.

A Member raised concern at the number of Leisure Centres closing swimming pools due to increasing energy costs. He queried whether the Council's Leisure Services had been investigating other options for heating the pool. The Section 151 Officer advised that a report was currently being prepared regarding combined heat power units and that other funding streams were being explored to assist with energy costs.

A Member commented on the current re-let figures and that they had noticed the impact of recent work and the reduction in vacant properties within their ward.

The Portfolio Holder for Finance noted that they were pleased to see re-let times reducing and the positive effect this would have. Furthermore, the continued high leisure attendances would hopefully have a positive impact on reducing demand for local health services. They agreed with the Committee Member in relation to recycling rates and the need for a revised approach at a national level. They also noted the new housing rents system which had been implemented and that they were anticipating a huge impact in the long-term on recovery of arrears and further improvements to the Council's approach to managing rent payments.

Moved by Councillor Tom Munro and seconded by Councillor Nick Clarke

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

### **ACO74-22/23      AUDIT AND CORPORATE OVERVIEW SCRUTINY COMMITTEE WORK PROGRAMME 2022/23**

The Scrutiny & Elections Officer reminded Members that this was the last meeting of the Audit & Corporate Overview Scrutiny Committee which would be split into two separate Committees from the next municipal year – Audit Committee and the Finance & Corporate Overview Scrutiny Committee. Work had already taken place on the Work Programmes for these two new Committees.

Moved by Councillor Tom Munro and seconded by Councillor Donna Hales

**RESOLVED** that the Work Programme be approved,

The Chair thanked Ruth Jaffray for her support and officers for an excellent service.

The meeting concluded at 10:54 hours.