

AUDIT SUB-COMMITTEE

24<sup>th</sup> July 2019

**PRESENT:-**

**Conservative Group**

Councillor Atkin (Vice-Chairman) and Councillor Churchill

**Labour Group**

Councillor Dunn and Shepherd

**In Attendance**

Councillor Roberts

AS/14 **APOLOGIES**

Apologies were received from Councillor Whittenham (Chairman).

AS/15 **DECLARATIONS OF INTEREST**

The Sub-Committee was informed that no declarations of interest had been received.

AS/16 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

The Sub-Committee was informed that no questions from members of the public had been received.

AS/17 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Sub-Committee was informed that no questions from Members of the Council had been received.

**MATTERS DELEGATED TO SUB-COMMITTEE**

AS/18 **INTERNAL AUDIT PROGRESS REPORT**

The Internal Auditor presented the report to the Sub-Committee, detailing the completed audit assignments within the period. The Internal Auditor noted two audit assignments had been completed; the Rosliston Forestry Centre 2018-2019 audit received a comprehensive assurance rating with three low risks recommendations and the Housing Safety Inspections received a limited assurance rating with fourteen recommendations, one of which was rated as a significant risk.

Councillor Churchill raised queries relating to the Housing Safety Inspection regarding asbestos management, particularly within communal areas, asbestos classification and if the Department had sufficient resources to address the identified risks. The Head of Housing addressed the queries, noting there were different types of asbestos which have to be dealt with properly. He explained a new contractor had been procured to deal with this and all asbestos related issues were managed through a portal, although he advised additional investment in ICT would need to be made and this was under review. He further noted efforts were being made to review how large contracts were managed.

Councillor Dunn queried, in relation to one of the low risk recommendations identified, if unqualified staff members were able to sign off electrical inspections. The Head of Housing noted that was not happening as additional requirements within the process, such as electrical certificates, were mandatory for inspections to be signed off.

Councillor Shepherd requested a copy of the completed Corporate Governance 2018/19 report to learn of the auditor's determination for not bringing the governance concern relating to The Infinity Garden Village decision to the Sub-Committee. The Internal Auditor noted the request, highlighting the scope of the audit was to review the Annual Governance Statement's content in line with the latest standards and how best to present the information to the public; The Infinity Garden Village was not part of the audit's scope.

The Strategic Director (Corporate Resources) informed the Sub-Committee investigations had been completed by the Monitoring Officer and the Chief Executive into The Infinity Garden Village as a potential governance issue and that a confidential report had been issued to relevant Members. He directed the Member to the Monitoring Officer and Chief Executive regarding any lingering concerns related to the investigation.

The Chairman requested clarification on the actions being taken to address the significant risk identified in the Housing Safety Inspections audit. The Head of Housing advised the Sub-Committee a specialist contractor was required for the work to be completed, which has now been procured, and associated work would be progressed over the remainder of the year.

The Chairman further requested clarification regarding PCI compliance. The Strategic Director (Corporate Resources) informed the Sub-Committee PCI compliance related to the required process around taking payments over the telephone in order to prevent fraud; he noted there are controls in place to mitigate the opportunities for fraud.

The Chairman thanked the Internal Auditors for the work completed.

**RESOLVED:-**

***The Sub-Committee considered the report of the Audit Manager and any issues identified be referred to the Finance and Management Committee or subject to a follow-up report as appropriate.***

AS/19    **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) informed Members Audit training would be made available to Sub-Committee Members on Wednesday, 18<sup>th</sup> September 2019 at 2.30pm prior to the next Audit Sub-Committee. Councillor Dunn requested the training is made available to all Council Members.

The Strategic Director (Corporate Resources) further informed Members a special Audit Sub-Committee has been arranged for Thursday, 28<sup>th</sup> November 2019 at 2pm to consider the External Auditor's report titled 'Audit Results Report (ISA 260) for the year ending 31<sup>st</sup> March 2019,' prior to the Finance and Management Committee in the evening.

The External Auditor updated the Sub-Committee on the recruitment process, noting it was a very challenging situation, but he felt confident the audit would be able to commence in early October.

**RESOLVED:-**

***Members considered and approved the updated work programme.***

AS/20    **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

***That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.***

**EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

***The Sub-Committee was informed that no questions from Members of the Council had been received.***

The Meeting terminated at 5.00pm.

COUNCILLOR N ATKIN

VICE - CHAIRMAN