

AUDIT SUB-COMMITTEE

22 June 2022

PRESENT:-

Labour Group

Councillor Dunn (Chair) and Councillor Shepherd (Vice-Chair).

Conservative Group

Councillor Atkin and Bridgen

Non-Grouped

Councillor Wheelton

AS/01 **APOLOGIES**

The Sub-Committee was informed that no apologies had been received.

AS/02 **DECLARATIONS OF INTEREST**

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

AS/03 **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/04 **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

AS/05 **INTERNAL AUDIT PROGRESS REPORT**

The Internal Auditor presented the report and outlined standard progress the audit dashboard, the progress with field work and the audit plan. The Internal Auditor highlighted recommendations that had revised target dates and recommendations overdue by 12 months.

Members raised queries regarding the revenue system and leisure centres.

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The Strategic Director (Corporate Resources) confirmed that there were 2 low risk recommendations accepted in relation to the revenue system and the Head of Customer Services clarified that one issue was the updating of schedules for valuations and secondly the team had carried out additional work generated by the government such as issuing Business Grants Schemes. It was also noted that a third risk accepted related to a paper based exercise that was carried out a senior officer level and audit had recommended a higher level officer check but the Council felt that this was not necessary.

The Strategic Director (Service Delivery) informed the Sub-Committee that the Leisure services update had been sent through and confirmed that the recommendations formed part of a new matrix that would be monitored monthly by the new Head of Service.

The Chair of the Sub-Committee raised a query regarding the skills matrix. The Head of Legal and Democratic Services confirmed that it related to when Group Leaders appointed Members to Committees.

Councillor Wheelton requested an update on the position of the Housing Orchard System.

The Head of Housing informed the Sub-Committee that there had been a lot of operational changes and that the repair system would be subject to an additional software update in the future. The Head of Business Change and ICT added that the supplier had issues with testing the site which had delayed the customer portal but would be available in the near future.

Councillor Shepherd noted concerns in relation to Infinity Garden Village

RESOLVED:

The Sub-Committee considered the report of the Audit Manager as per Appendix 1 to the report, and any issues identified be subject to a follow-up report as appropriate.

AS/06 **INTERNAL AUDIT ANNUAL REPORT 2021-22**

The Internal Auditor presented the report to the Sub-Committee and summarised the audit findings and opinions in relation to the previous 12 month period.

The Internal Auditor highlighted the systems of control in place in relation to the interactions between Management and Audit Sub- Committee and noted that the two budget overspends were housing repairs and land charges which were both being monitored accordingly.

Councillor Wheelton sought clarification regarding the governance of finance and the responsibility for setting all Budgets.

The Head of Legal and Democratic Services informed the Sub-Committee that Financial responsibility was governed via the Finance and Management Committee that makes recommendations to Full Council for approval and assured Members that all papers would be included for Full Council in the future. The Strategic Director (Corporate Resources) confirmed that Full Council did approve the overall Budget which was in line with the Constitution and best practice.

RESOLVED:

The Sub-Committee considered and noted the Annual Internal Audit Opinion for 2021/22 as per Appendix 1 to the report.

AS/07 **LOCAL CODE OF CORPORATE GOVERNANCE**

The Head of Legal and Democratic Services presented the six monthly report regarding the governance framework and sought approval of the recommendations within the report.

Members raised queries regarding standards and the responsibility for parish councils' code of conduct.

The Head of Legal and Democratic Services confirmed that Standard Hearings were called when necessary and that South Derbyshire District Council did have not responsibility for the parish councils' code of conduct but as Monitoring Officer, would deal with complaints regarding individual parish councillors.

Councillor Atkin requested an update on the new Members' Code of Conduct. The Head of Legal and Democratic Services clarified that the implementation date was 2023 and that a draft document and additional guidance had been shared with Members and that comments received had informed the report.

RESOLVED:

- 1.1 The Sub-Committee approved the updated Local Code of Corporate Governance as detailed in Appendix 1 to the report.***
- 1.2 The Sub-Committee approved progress regarding on-going work to maintain sound governance as detailed in the report.***

AS/08 **DRAFT ANNUAL GOVERNANCE STATEMENT 2021/22**

The Head of Legal and Democratic Services presented the report and sought approval for the draft document that would be filed with the Statement of Accounts.

Councillor Wheelton commended the report and suggested that it was shared with all Members.

RESOLVED:

The Sub-Committee approved the Draft Annual Governance Statement for 2021/22 as per Appendix 1 of the report.

AS/09 **2022-2023 ANTI FRAUD & CORRUPTION PLAN & COUNTER FRAUD PARTERSHIP PERFORMANCE UPDATE**

The Head of Customer Services presented the report in relation to partnership working with Derby City Council and noted that the costs and savings for South Derbyshire District Council in the previous year. The Head of Customer Services highlighted the successes and training undertaken during 2021-22.

Members raised queries regarding the contribution of the Council and payment of staff training.

The Head of Customer Services confirmed that the Council contribution did not subsidise the running of the service and that training costs were covered by the partnership.

RESOLVED:

1.1 The Committee noted the performance of the Counter Fraud Partnership with Derby City Council, as per Appendix 1 to the report and the cashable and value for money savings that had been delivered in 2021-2022.

1.2 The Committee approved that the Counter Fraud Partnership be continued for 2022-2023 and approved the Council's proposed Anti-Fraud and Corruption Action Plan as detailed in Appendix 2 of the report, that directs the work of the partnership.

AS/10 **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) presented the Committee Work Programme to Members.

The Chair raised concern regarding the delay of the External Auditor's Report and finalisation of accounts and Members requested that the External Auditor be invited to attend the next Audit Sub-Committee meeting.

RESOLVED:

The Committee considered and approved the updated work programme.

AS/11 **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.

AS/12 **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 17:18 hours.

COUNCILLOR P DUNN

CHAIR