

# AUDIT AND GOVERNANCE COMMITTEE

**MINUTES of the meeting of the Audit and Governance Committee held on Friday 26 July 2019 commencing at 10.00 am at the Cabinet Suite - Shire Hall, Gloucester.**

## **PRESENT MEMBERSHIP:**

Cllr Phil Awford	Cllr John Payne
Cllr Bernard Fisher	Cllr Keith Rippington
Cllr Andrew Gravells	Cllr Nigel Robbins OBE
Cllr Colin Hay	Cllr Lesley Williams MBE
Cllr Loraine Patrick	Cllr Will Windsor-Clive

## **Substitutes:**

**Apologies:** Cllr Brian Oosthuysen, Cllr Shaun Parsons, Cllr Alan Preest and Cllr Brian Tipper

## **22. OPENING NOTE**

Cllr Robbins on behalf of the Committee congratulated Jane Burns on her new appointment at Cheshire East Council and wished her every success in her new role.

## **23. MINUTES**

All matters arising had been dealt with and communicated to members of the Committee.

### **Resolved**

**That the minutes of the meeting held on the 25<sup>th</sup> April 2019 be approved as a correct record and signed by the Chairman.**

## **24. GRANT THORNTON AUDIT FINDINGS REPORT**

Pete Barber, Engagement Lead, Grant Thornton presented the report which informed the Committee of the key matters arising from the audit of Gloucestershire County Council's financial statements for the year ended 31st March 2019. An addendum which detailed the revised fees was circulated at the meeting (Appendix C, a copy is attached to the signed minute book).

It was explained that there were three material adjustments considered within the wider context of the report. The most significant material adjustment related to the McCloud ruling. Members were advised that the Court of Appeal had ruled that there was age discrimination in the firefighter's pension scheme and transitional protections were given to scheme members. In response the Council had adjusted its materiality level to £20.1 million within its final accounts.

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Mr Barber explained that Grant Thornton was still unable to issue a value for money conclusion at this stage due to the outstanding objection on the Council's energy from waste scheme. Grant Thornton would finalise the Value for Money Opinions for 2016/17, 2017/18 and 2018/19 once the work on the objection had been concluded.

The Committee was informed that Internal Audit and Grant Thornton had ongoing dialogue throughout the financial year. Grant Thornton confirmed that the accounts had been prepared in accordance with the accounting code of practice. The total indicative fee for the audit for 2018/19 was £117,239. It was noted the fee increase was due to the additional audit work undertaken, however the fees were subject to Public Sector Audit Appointments (PSAA) approval.

During the discussion one member suggested that the savings from the energy from waste scheme, as in £100m over the 25 year life of the contract should be included as a significant risk, as the information on the savings weren't actually available yet. The Section 151 Officer explained that detailed work by Ernst & Young and Grant Thornton had been carried out in order to assess the savings. In addition it was noted that 98% of last year's saving target of £20million had been achieved and officers were keen to deliver the predicted savings.

Some members raised concerns in relation to the value for money judgement and felt they were not privy to the ongoing situation in relation to the objection and legal challenge and requested an exempt session at a later date to discuss the issues. One member suggested that this information should be shared with all 53 County Councillors.

Mr Barber added that in terms of procurement law the energy from waste objection would be going to court in March 2020. Grant Thornton was happy to engage with Councillors subject to a consultation with John Gregory from Grant Thornton who was dealing with the objection. Members agreed this would be an agreeable way forward. (Action PB/PB)

It was noted that Grant Thornton had issued an unqualified audit opinion and the Committee welcomed this news. Members appreciated the expertise, hard work and effort of the finance team in compiling the accounts and agreed they should be congratulated on their exceptional effort. The Chairman reiterated members' appreciation and also wished to extend thanks to Grant Thornton on behalf of the Committee.

## **RESOLVED**

**That the report be noted.**

## **AUDIT FINDINGS: PENSION FUND REPORT**

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Peter Barber, Engagement Lead, Grant Thornton presented the report. The report highlighted the key issues arising from the audit of Gloucestershire Pension Fund financial statements for the year end 31st March 2019.

Members were informed that Grant Thornton had identified no adjustments that affected the Funds reported financial position. It was anticipated that an unqualified opinion would be issued on the funds financial statements. It was noted that the audit fee of the Pension Fund for 2018/19 was £18,325 plus an additional fee of £1,500 in respect of the additional work carried out assessing the impact of McCloud.

In response to a question, members were advised that the Gloucestershire Fire & Rescue Service (GFRS) Scheme was unfunded and there was no impact on the Pension Fund.

The performance of the fund was the responsibility of the Pensions Committee. It was noted that the auditors did not provide a separate value for money conclusion on the Pension Fund.

### **Resolved**

**That the report be noted.**

## **25. ANNUAL STATEMENT OF ACCOUNTS**

Paul Blacker, Section 151 Officer presented the report. The purpose of the report was to formally present the Accounts of Gloucestershire County Council and the Pension Fund to the Audit & Governance Committee for its approval. The Accounts had been produced in accordance with the CIPFA Accounting Code of Practice based on International Accounting Standards.

The Section 151 Officer acknowledged the hard work of the Finance Team and the Grant Thornton team which enabled officers to present the Accounts to the Committee within the tight statutory deadline. It was noted that during their work Grant Thornton had recommended some minor changes to the accounts and disclosure notes. Members were advised that none of the changes were material, and that the Accounts had been amended accordingly.

The overall opinion was to issue an unmodified audit opinion of the Accounts. However the Value for Money conclusion remained outstanding pending the conclusion of a review that was initially triggered by a formal objection to the 2016/17 Accounts.

It was explained that by its nature the Statement of Accounts was a very technical document and to assist members in their duties a detailed training session had been arranged prior to the formal meeting, in order to assist Members understanding and allow officers the opportunity to answer any technical questions in advance of the Committee meeting.

The Committee were asked to approve the Annual Statement of Accounts. Once approved the Chair of the Committee and the S151 Officer would sign that the Statement of Accounts gave a true and fair view of the financial position for 2018/19. In addition, the Chair and the Section 151 Officer would also sign the Letter of Representation for both Gloucestershire County Council and the Pension Fund Accounts, acknowledging that in their opinion the financial statements are presented fairly and in accordance with the CIPFA Code of Practice. In response to a question, it was explained that some estimates were used when producing the accounts and amendments were made up to the last minute to ensure the accounts were as up to date as possible. Grant Thornton commented that assumptions were made by the Pension Actuary and confirmed that the use of estimates were common practice and the updated figures were incorporated into the accounts.

One member remarked that there was a low attendance at the members training session and that officers had to repeat many of the points for the sake of those who were not present at the training session. It was suggested in the future members should prioritise their attendance at the training session.

During the discussion one member suggested that statements in the narrative should be open and honest and referred to the statement in relation to the Energy from Waste Scheme on page 84 of the report, which stated that "save the Council £100 million over the 25 year contract compared with landfill". The member suggested that this should be amended and felt that it was misleading. The Chair concurred and suggested that the statement should be amended to "by the end of the 25 year contract".

The Section 151 Officer believed that the current statement was clear and it was fully supported by Ernst & Young and Grant Thornton. It was noted that this statement had also been used in all press releases to date and he wouldn't have included the statement if he felt it had been misleading in anyway, as a professional Officer he stood by his view but accepted that it was a matter of opinion.

A vigorous debate ensued and other members remarked that the wording was clear and they were satisfied with the view of the professionals and the wording should remain. The Chair explained he was not disputing the view of Officer's or professionals, he was merely unhappy with the statement and felt the wording was misleading. On being put to the vote to amend the statement to "by the end of the 25 year contract", the Chair had the casting vote and the amendment was agreed.

At this point in the meeting, there was an outburst from a member of the public and the Chair adjourned the meeting.

When the meeting reconvened, the Committee formally approved the Statement of Accounts and the Chair of the Audit and Governance Committee signed the letter of representation on behalf of the Council and Gloucestershire Pension Fund.

**Resolved**

*Minutes subject to their acceptance as a correct record at the next meeting*

**That the wording to the narrative be amended in relation to the Energy from Waste Scheme be amended to “by the end of the 25 year contract”.**

**That the Committee formally approved the Annual Statement of Accounts year ending 31st March 2019.**

**That the Chairman of the Audit and Governance Committee and the Section 151 Officer signed the letter of representation on behalf of the Authority and Gloucestershire Pension Fund**

## **26. ANNUAL GOVERNANCE STATEMENT 2018/19**

Theresa Mortimer, Chief Internal Auditor (CIA), presented the report. It was explained that the Council was required under the Accounts and Audit Regulations 2015 to produce an Annual Governance Statement (AGS) which was a public statement, detailing how the Council directs and controls its resources, which was signed by the Leader of the Council, Chief Executive and Chief Financial Officer. It was noted that the AGS was published alongside the Annual Statement of Accounts.

Members were informed that GCC operate through a governance framework that had been summarised within a revised Local Code of Corporate Governance 2018/2019 and the Directors Composite Assurance Statements, which was consistent with the seven core principles of the CIPFA/SOLACE Delivering Good Governance in Local Government framework, 2016 edition.

The CIA explained the Council's Local Code of Corporate Governance was a public statement of the Council's commitment to these principles and specifically identified the key actions taken by GCC in relation to each of the core principles. It was noted that the code was reviewed and updated annually and should be read in conjunction with the AGS.

The CIA explained that to enable the development of the AGS, an embedded assurance framework was required, that not only provided the relevant assurances, but also a framework that underpinned and evidenced the statements made within the AGS.

A strengthened governance assurance process was implemented and provided a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This included the relevant Lead Cabinet Member overview and oversight and governance assurance statements obtained from Directors and Heads of Service

The CIA referred the Committee to page 243 of the report, which detailed the Council's Governance Assurance Framework i.e. the three lines of defence model, which supports effective governance arrangements. Members commented that the report was detailed and wide ranging and welcomed the composite statements. During the discussion, it was noted that there was a typographical error on Page 256 of the report, in relation to the target saving amount. This has been rectified

prior to formal publication. In response to a question in relation to independent challenge and management ownership of good governance, it was noted that during 2019/2020 internal audit would test the adequacy of the Directors and Heads of Service assurance statements.

Members were informed that the key 2018/2019 governance matters identified to further enhance the governance arrangements, related to:

1. Future Financial Sustainability;
2. Ofsted Inspection of Children's Services;
3. Gloucestershire Fire and Rescue Service (GFRS); and
4. The recruitment and retention of employees in hard to fill critical positions.

During the discussion the Committee suggested that developing cultures and member development should be highlighted within the future statements. The CIA advised that Principle E (Page 250) referred to the member development arrangements and that culture does form part of an effective control environment, however this would be more explicitly reflected in future year's statements. In response to a question it was explained that the GFRS action plan would remain as a standing item on the Committee's agenda until Members were satisfied that all agreed actions have been adequately addressed.

Members were reminded that the CIA had provided a detailed presentation on the AGS and the Local Code of Corporate Governance at the training session on 24th July 2019.

The Committee was reminded that the Statement of Accounts and AGS should be read in conjunction to give a balanced view. It was agreed, to accept the Annual Governance Statement and Local Code of Corporate Governance 2018/19 and Directors' Composite Assurance Statements.

## **Resolved**

**That the Committee reviewed and approved the Annual Governance Statement and Local Code of Corporate Governance 2018/19 and the Directors' Composite Assurance Statements.**

## **27. TREASURY MANAGEMENT ANNUAL REPORT**

Paul Blacker, Section 151 explained that each year the Council produced an Annual Report covering its Treasury Management activities for the financial year ending 31st March. The annual report for 2018/19 was submitted to the Audit and Governance Committee to allow greater scrutiny under the Treasury Management Code.

The Committee were advised that the Treasury Management Strategy and the Annual Investment Strategy were agreed by full Council as part of the annual budget setting process. The Committee discussed the report in detail.

It was explained that significant amounts of money were involved in Treasury Management with a borrowing and investing programme. During 2018/19 the total borrowing needed to fund the approved capital programme increased from £302.1m to £305.2m. The average cost of borrowing was 4.91%, this rate was higher than the rate of return GCC received on its investments because it reflected the mix of long term fixed rates loans taken out historically when interest rates were higher than the current period.

The Council had substantial amounts of money invested at any one time an average of £327.5m in 2018/19, therefore it was important that the investment policy was robust. It was noted that the investment objectives were:

- Security – ensuring that the risk of financial loss was minimised
- Liquidity – ensuring that the money was available when we need it
- Yield – ensuring we maximise returns but commensurate with the above objectives of security and liquidity.

It was noted that the key to successful Treasury Management was getting the balance right between the three interlocking objectives. The report showed how this is done through a mixture of investment types, counterparties, maturity dates and a mixture of long and short term investments.

The Committee were advised that during 2018/19 the Authority generated £5.9m of investment interest, which was the equivalent to 1.8% at a time when the basic bank rate was 0.75% for the majority of the year. All Treasury Management activities during the year were fully compliant with the CIPFA Code and the Council's approved Treasury Strategy.

It was suggested that the Council should invest in the County in order to benefit the residents of Gloucestershire. Officers explained that there was a difference between Treasury Management and Investment Portfolio's. The question of invest to save and carbon neutral investments were raised, officer's agreed to take these points away and look at these issues in more detail.

Members were advised that the Cabinet Policy was to get the best return on its investments and officers operated within that policy.

## **RESOLVED**

**That the Committee considered and noted the Treasury Management Annual Report for 2018/19.**

### **28. ANNUAL REPORT ON RISK MANAGEMENT ACTIVITY 2018/19.**

Theresa Mortimer, Chief Internal Auditor detailed the Risk Management (RM) activities undertaken during 2018/2019. The key activities / outcomes to highlight were summarised on page 321 of the reports pack which included the implementation of a cyber risk insurance policy and the outcome of the insurance tender which resulted in 16.8% savings on the previous year's renewal.

Members were informed that the requirements of the strategy was that Risk Management continued to be fully integrated into key business systems and processes such as performance, option appraisals, business planning, financial planning and decision making processes. It is essential that Risk Management continues to be one of the key mandatory standards within the Council's corporate programme and project management governance arrangements.

The CIA explained that a risk appetite model was used as part of the risk and opportunity decision making processes to help the Council be less risk averse and enable the Council to understand which risks it could be willing to accept. In addition, the leadership behaviours also encouraged calculated risk taking.

The report demonstrated that CoMT continued to take ownership of the strategic risk register, with each of the strategic risks being owned by a CoMT member. The Committee noted that the Strategic Risk Register was dynamic with quarterly strategic risk management reports provided to CoMT, Overview Scrutiny Management Committee and Cabinet, to enable challenge and to gain ongoing assurance that the Council's strategic risks were being effectively managed.

It was noted that the CIA facilitated risk workshops with CoMT to review the Strategic Risk Register to ensure it reflected the Council's current risk profile. Member's attention was drawn to a summary of the Strategic Risk Register attached to the report.

Members wished to know if there was an increase in motor accident claims in relation to potholes. The CIA explained that the Highways agent now dealt with the pot hole claims. It was noted that the SHE Panel, which oversees health and safety, undertook a regular report in relation to slips, trips and falls and the information was available to all members. During the discussion it was suggested that Internal Audit should provide training on Risk Management for all Scrutiny Committees.

### **Resolved**

**That the Committee noted the Annual Report on the Corporate Risk Management arrangements in place during 2018/19.**

**The Committee endorsed the proposals for future improvement and development as set out in the report.**

**That the Committee concluded that the arrangements for managing risk within the Council were sound.**

## **29. ANNUAL REPORT ON INTERNAL AUDIT ACTIVITY 2018/19**

Theresa Mortimer, Chief Internal Auditor (CIA) presented the Committee with an annual report on Internal Audit activity, which met the CIA annual reporting requirements as set out in Public Sector Internal Audit Standards (PSIAS) 2017.

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The report provided the CIA's annual opinion on the overall adequacy and effectiveness of the Council's Internal Control environment comprising risk management, control and governance, this opinion supported the Council's Annual Governance Statement. Members felt the report displayed the wide remit of activities that Internal Audit covered.

Members were referred to page 356 of the report, where, except for those matters identified in relation to Children's Services and GFRS, Gloucestershire County Council has a satisfactory overall control environment, to enable the achievement of the Council's outcomes and objectives.

It was explained that the report provided information on what was taken into account to arrive at the opinion. The CIA also confirmed that there had been no limitations on internal audits scope of activity or no undue influence had been place on the CIA. The CIA provided a summary of IA activity undertaken, with the net affect being that 92% of the overall revised plan had been delivered. Members were advised that the key changes to the original audit plan were as a result of the additional 18 GFRS audits that were undertaken.

Members' attention was drawn to page 362 of the report, which provided the Committee with a pie chart summary of the overall opinions given during 2018/2019. The CIA demonstrated that 70% of audited activity received a substantial or satisfactory opinion on control and 81% received on risk. There were 11 audits that received a limited assurance opinion on control with 8 (73%) of these relating to GFRS audits. It was explained that these audits were reported as a separate agenda item. During this period 148 recommendations were made to management to improve the control environment, all of which were accepted. The Committee noted the spreadsheet which provided a summary of the activity undertaken which supported the CIA's opinion.

The CIA advised that IA undertakes a follow up review of every audit (where relevant) where a limited assurance opinion on the control environment has been provided. The tables shown on page 365 – 366 highlight the changes in the risk and control opinions. This provides reasonable assurance that management have taken actions to address the internal audit recommendations made, reducing the risk exposure.

The Committee were referred to the summary of counter fraud activity undertaken during the year, such as work on special investigations, participation in the National Fraud Initiative Data matching exercise, keeping under review the Council's anti fraud polices and compliance with the Local Government Transparency Code 2015 fraud and irregularity reporting requirements.

In terms of Internal Audit Effectiveness, the CIA explained that the PSIAS requires the CIA to annually report on conformance with the PSIAS, reporting any non conformance and to summarise the performance of the Internal Audit function. The CIA reported that following an external quality assessment by the Chartered Institute of Internal Auditors (national standard setters) in May 2015, the Authority

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received 100% conformance. The next external quality assessment is due in May 2020.

During 2018/19 ARA has been in a position to be able to provide a “partner dividend” to the Council in the sum of £ 35,210.41. This is due to efficiencies achieved.

It was reported that at the end of each audit review Internal Audit request customer feedback. Members were referred to the overview of customer satisfaction survey results, all categories of assessment exceeded IA’s target of 80% as good or excellent. It was noted that the positive comments received could be found on pages 373 – 374 of the report.

The CIA added there were always lessons to be learned and customer feedback was used to ensure that IA fully considered where improvements could be made. As such, individual staff targets had been set to assist with achieving any improvements identified.

The Committee was provided with a progress report in relation to those audits undertaken during the period April – June 2019. Members’ attention was drawn to the limited assurance opinions provided on risk and control relating to Procurement of Short Term Transport Arrangements for Social Care Users. It was noted that whilst management had accepted and responded positively to the recommendations made, IA would continue to monitor their implementation. It was proposed that management were invited to the next committee to provide an update on actions taken to address the recommendations made. The Committee welcomed this approach.

During the discussion that the Audit and Governance Committee was a non-political function, and acknowledged that whilst members approved the annual risk based audit plan following dialogue and challenge, members were encouraged to discuss any further areas through the year where assurance was required, with the CIA. This would enable, following a risk assessment, inclusion, within the IA work programme.

### **Resolved**

**That the Committee assessed, from the findings set out in the report that it could take reasonable assurance that the internal control environment, comprising of risk management, control and governance was operating effectively.**

**That senior management attend the next meeting of the Committee to provide an update on the actions taken in relation to the recommendations made in the Procurement of Short Term Transport Arrangements for Social Care Users audit report.**

**That the Committee noted that the performance of Internal Audit met the required standards.**

### **30. GFRS ACTION PLAN**

Theresa Mortimer, Chief Internal Auditor (CIA) informed the Committee that the purpose of the report was to provide assurance to the Audit and Governance Committee that the IA recommendations made in relation to the independent investigation of GFRS have been / are being addressed.

The Chair welcomed Wayne Bowcock, Chief Fire Officer (CFO), Cllr Dave Norman (Cabinet Member for GFRS) and Jon McGinty to the meeting. The CIA reiterated that the CFO and his team continued to be very supportive of Internal Audit's activities and their assistance was appreciated. The CIA explained that the reports were not an easy read, however, the focus should now be on addressing the issues identified to mitigate any future risk exposure.

In response to a question relating to the Adult and Child Social Care training and the widening of firefighters role. The CFO explained that there was a lot of context behind this element and that staff morale had been affected by the activity prevention function within their role. It was reported that GFRS was previously behind on this but with increased training, particularly on cardiac arrest this was being overcome. This was inevitably due to the legacy of the past, but the focus for GFRS was now on going forward and developing the concept of prevention, protection and response in order to develop a balanced role for GFRS staff.

The Committee were pleased to note that sickness absence levels had decreased within GFRS and that return to work interviews was now conducted as a matter of course. As this enabled management to understand the issues facing staff and could be monitored accordingly. Members felt it was important to increase staff morale in an effort to avoid sickness and stress related absences.

The CIA informed the Committee that generally sickness absence reporting across the Council was satisfactory, however it was recommended that absence, where policy required, was recorded via SAP to enable corporate monitoring.

Cllr Norman, Cabinet Member for Fire added that he and the CFO were actively going out meeting and engaging with the workforce in an effort to have an open and honest conversation with staff. The Cabinet Member appreciated that low morale was due to the service being scrutinised, however they were actively working to build morale and confidence in the service. There was another round of staff meetings scheduled for September 2019 and they were confident that the issues were being put right and the service was moving in the right direction and staff would continue to do a great job.

The CFO informed the Committee that he was working with Human Resources to tackle the workforce planning issues under the Strategic Policy. He was confident that welfare arrangements were now in place for those members of staff returning to work. It was noted that there was a slight increase in the last quarter but it was not dissimilar to other Fire and Rescue Services. He provided the committee with assurance that he was aware of the issues and was actively working to improve the

situation. In addition the CFO now did a video log for staff in an effort to tackle morale issues. The audit reports now gave a clear expectation that staff could come forward and raise any issues that they may have.

The Committee appreciated that it was a difficult phase and staff were angry and embarrassed over the situation. However the audit reports now showed via management responses to the recommendations made, that the service was moving in the right direction. It was anticipated this would be reaffirmed by staff visits and staff surveys.

In relation to the staff survey it was explained that the last survey was undertaken in 2018 and that GFRS had received a poor response rate. The Fire Service were seeking feedback through consultation with the Strategic Leadership Team suggestion scheme, it is aimed that this will provide a view of the current position.

**Resolved**

**That the Committee reviewed and considered the actions taken to address the recommendations made and progress to date.**

**31. CORPORATE CRIMINAL OFFENCES ACT**

Jayne Fuller, Corporate Finance Manager presented the report in detail. The Policy statement set out this new offence under the Criminal Finances Act. It covered the risk areas for the Council and outlined the measures that might mitigate against the Council's risks.

Some members felt that the Authority was being given more work and could be guilty of not asking the right questions.

**Resolved**

**That the Committee reviewed and agreed to adopt the Corporate Criminal Offences policy statement.**

**32. ANNUAL REVIEW OF THE COUNCIL'S USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

Karen Smith, Head of Regulatory Services and Consumer Protection presented the report, supported by Gillian Parkinson, Head of Legal Services. The report informed the Committee of the use of directed surveillance and covert human intelligent sources and reported on the results of the inspection by the Investigatory Powers Commissioner's Office undertaken on 30 May 2019.

The Committee noted the positive inspection outcome, officers explained that there was a collaborative working approach to take this forward with the District Councils.

**Resolved**

**That the Committee noted the outcome of the recent inspection by the Investigatory Powers Commissioner's Office**

**The Committee agreed the recommendations set out in paragraph 6.2 of the report in response to the Chief Inspector's observations.**

**The Committee agrees the suggested amendments to the Council's RIPA procedural guidance to ensure it remains fit for purpose.**

### **33. INTERNAL AUDIT - EXTERNAL QUALITY ASSESSMENT**

Theresa Mortimer presented the report. It was explained that there was a requirement under the PSIAS for IA to have an external quality assessment at least once every five years by a qualified independent assessor. The last external assessment was undertaken in by the Chartered Institute of Internal Auditors (CIIA) in May 2015, therefore the second assessment was due in May 2020. The Committee noted that the Independent Assessor would meet with the Chair of the Committee and a survey would be sent to the members of the Committee to gain their views in the IA service.

It was explained that the review would cover all three ARA partners; Gloucestershire County Council, Stroud District Council and Gloucester City Council and the assessors have been approved by the ARA Shared Services Board.

**Resolved**

**That the Committee noted the CIIA (Chartered Institute of Internal Auditors) will be engaged by the Council to carry out an independent quality assessment of the internal audit function.**

**That the CIIA report the key findings and recommendations to the July 2020 Audit and Governance Committee.**

### **34. REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE**

Theresa Mortimer, CIA explained the report provided the Committee with the action plan arising from the review, which proposed the next steps to further enhance the Committee's effectiveness. Members welcomed the report and agreed to approve the action plan.

**Resolved**

**That the Committee approved the action plan resulting from the effectiveness review, including the appointment of an independent member.**

### **35. INTERNAL AUDIT LIMITED ASSURANCE REPORT**

*Minutes subject to their acceptance as a correct record at the next meeting*

Chris Spencer, Director of Children's Services (DCS) presented the report and referred to the recommendations in detail.

The CIA advised the Committee that management had been very supportive and that the management response to date had been very good. An IA follow up review would be undertaken in 2019/2020.

In response to a question, it was explained that the failure to use the liquid logic system in order to record work was part of the problem. Staff had received further training and were now recording the detail in full on the system. It was noted that Ofsted were forensic in their investigations and if the information hadn't been recorded effectively then it didn't hold any value. Members were pleased to note that Ofsted were actively talking to frontline workers in order to get a clearer picture.

The DCS informed the Committee that Young Care Leavers were honest and highlighted the shortcomings of the service and he had regular meetings with young ambassadors. In terms of pathway planning a minimum 80% had been completed, the DCS commented that it could be better and the service was actively working to improve.

**Resolved**

**That the report be noted.**

**CHAIRPERSON**

Meeting concluded at 1.02 pm