

# AUDIT AND GOVERNANCE COMMITTEE

**MINUTES of the meeting of the Audit and Governance Committee held on Friday 21 April 2023 commencing at 10.00 am at the Cabinet Suite - Shire Hall, Gloucester.**

## **PRESENT MEMBERSHIP:**

Cllr Matt Babbage	Cllr Stephen Hirst
Cllr John Bloxsom	Cllr Mark Mackenzie-Charrington
David Clowes	Cllr Chloe Turner
Cllr Tim Harman	Cllr Dr David Willingham
Cllr Colin Hay (Chairman)	

## **Substitutes:**

**Apologies:** Cllr Alex Hegenbarth, Cllr Alan Preest and Cllr Brian Tipper

## **16. DECLARATIONS OF INTEREST**

No declarations of interest were made.

## **17. PUBLIC QUESTIONS**

No public questions were received.

## **18. MEMBER QUESTIONS**

No member questions were received.

## **19. MINUTES OF THE PREVIOUS MEETING**

**Resolved**

**That the minutes of the meeting held on the 20th January 2023 were approved as a correct record.**

## **20. GRANT THORNTON PROGRESS REPORT**

- 20.1 Alex Walling, Audit Engagement Lead, Grant Thornton (GT) presented the report, which detailed the progress Grant Thornton had made in delivering their responsibilities as the external auditors.
- 20.2 The Committee were advised that GT had completed their work on GCC's financial statements for 2021/22 on the 1<sup>st</sup> March 2023 and commenced their initial planning and interim fieldwork for the 2022/23 audit. Members were advised they intended to issue detailed audit plans in June/July, as this would set out their proposed

approach for the audit of the financial statements for 2022/23. It was noted that GT aimed to give their opinion on Statement of Accounts by 31<sup>st</sup> December 2023.

- 20.3 Members were advised that ongoing national delays in local audits continued to significantly impact audited bodies, the financial reporting and auditing process. It was explained the GT met with Finance Officers in March 2023 as part of their quarterly liaison meetings and continued to be in discussions with officers regarding emerging developments to ensure the audit process was smooth and effective.
- 20.4 The Executive Director of Corporate Resources informed the Committee that GCC was in a better position than many other Local Authorities, he accepted there were a lack of auditors nationally, which had compounded the situation.
- 20.5 In response to a question regarding the SEND budget and the safety valve funding, the Executive Director reassured committee the rules were being followed and the statutory override was necessary for the rules to be adhered to. He added that the deficit was sizeable but children in Gloucestershire were receiving the service they were entitled to. It was now a question of better value, as there was no additional funding and discussions were ongoing with Central Government, as it was a national issue that required national funding.
- 20.6 The Head of Finance confirmed the Department of Education recognised there was an issue and were engaged with Local Authorities, which was seen as a major step forward. Some members felt that the statutory framework was out of kilter with the funding mechanism and suggested that by putting in place a three-year override, the solution would be for the next elected government to find.
- 20.7 The Committee sought clarification in terms of GCC's position regarding the accounts, officers explained that GCC was in a comfortable position, as GT had taken a more practical approach in the signing of the accounts. Members recognised there was a resource and morale issue for auditors and finance teams nationally.
- 20.8 GT informed committee that value for money work had been concluded and the draft report was with officers for comment, also the certificate would be held up slightly due to the National Audit Office (NAO) Code. Members noted that GT were keen to complete the audit in a timely manner and would start the Pension Fund audit in July as a priority, given it had a knock-on effect for admitted bodies within the fund. GT hoped to commence the GCC audit in September/October and were keen to complete the work, as were the finance teams.
- 20.9 The Executive Director notified members there was an impact across the finance teams, as starting the budget work in the summer months impacted on staff leave and caused pressure for the external auditor too. The Director of Finance reiterated it was a major piece of work which impacted over a three-month period and there were concerns, hence the need to start planning now to deliver what was required.

**Resolved**

**That the report be noted.**

**21. INTERNAL AUDIT PLAN 2023/24**

- 21.1 Piyush Fatania, Head of Audit Risk Assurance (ARA) presented the report which informed members on the progress of the internal audit activity in relation to the draft 2023/24 Risk Based Internal Audit Plan as required by the Accounts and Audit regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) 2017.
- 21.2 During the discussion, members questioned the child audit in terms of delegated responsibility and the timing of placements. The Principal Auditor explained that knee jerk reactions could impact the cost of a placement, but recognised urgent placements were unavoidable.
- 21.3 Members raised concerns regarding secured placements for children and the effect on their civil liberty. It was noted the liberty safeguarding audit had been dropped and further discussion were taking place with children's services. The Executive Director explained that the liberty protocol was applicable to 16- & 17-year-olds and they would be audited when the relevant legislation was in place, and the scope of the audit would be clearly defined.
- 21.4 In terms of deferred audits, the Head of ARA advised committee that audit plans were monitored and reviewed accordingly.
- 21.5. Members suggested that perhaps the Build Back Better schemes should be audited in terms of controls, value for money and probity issues. Officers agreed to discuss this request after the meeting and suggested that perhaps the market towns scheme could be audited as that project had concluded and the mechanisms could be reviewed. It was noted that the evaluation of any scheme was subjective and could be highly political. (Action – SM/PF)

**Resolved**

**That the Committee agreed the 2023/24 Internal Audit Plan.**

**22. INTERNAL AUDIT ACTIVITY PROGRESS REPORT**

- 22.1 Piyush Fatania, Head of Audit Risk Assurance (ARA) presented the report which informed members of the progress of Internal Audit activity in relation to the agreed Internal Audit Plan 2022/23.
- 22.2 A member asked if there were any plans to tackle the backlog of cases in relation to the amenity fund. The Head of ARA explained no fraud had been detected but there was just an increased risk. The Principal Auditor explained that no testing was undertaken on individual funds, as it was not Council's funds, it belonged to the individual.

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- 22.3 It was explained that the backlog of cases, was due to the team being under resourced. Officers explained there were plans in place for timely assessments and follow up actions but this was dependant on staff, as the process was resource intensive. Members were reassured the issues were being closely monitored.
- 22.4 In terms of counter fraud, it was suggested that cases of fraud recovery should be publicised in order to raise awareness. The Head of ARA explained that counter fraud figures would be included in the annual report.
- 22.5 Reassurance was also sought that those areas labelled as high priority had been accepted by management, the Head of ARA confirmed they had been, and the timescales had also been agreed.

### **Resolved**

**That the Committee noted the report.**

## **23. HEALTH & SAFETY UPDATE REPORT**

- 23.1 Stuart Heggs, Safety, Health & Environment (SHE) Manager, presented the update report in detail and advised the committee of what had been undertaken since the initial report in September 2022. The committee were advised that following a review, SHE now reported to the Assistant Director of Asset Management & Property Services.
- 23.2 At the September committee meeting, members raised concerns about lone working. The SHE Manager explained that a new Lone Working Policy had been developed setting out the roles and responsibilities across the organisation to manage lone working and arrangements to protect the personal safety of staff. It was noted that guidance had been shared to assist managers and staff to assess and reduce risks.
- 23.3 It was noted that lone working and the control of personal safety risks would continue to be a health and safety priority for the Council in 2023/24. The training had been delivered in association with the Suzy Lamplugh Trust as a pilot and would be evaluated. The outcome of which would inform a recommendation on the training going forward.
- 23.4 The Committee noted there had been a poor response by management on risk training, and this area was being addressed. The Head of Finance added that UBICO and highways were working together to assess risk, as there had been some incidents where refuse collectors had been hit by cars.
- 23.5 It was noted that the ongoing work would be reported in the SHE annual report.

### **Resolved**

**That the update report be noted.**

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**24. EXCLUSION OF THE PRESS & PUBLIC**

**Resolved**

**That in accordance with Section 100 A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following agenda items, because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.**

**25. EXEMPT MINUTES OF THE PREVIOUS MEETING**

**Resolved**

**That the exempt minutes of the meeting held on the 20th January 2023 were approved as a correct record.**

**CHAIRPERSON**

Meeting concluded at 11:38am