

AUDIT AND GOVERNANCE COMMITTEE

MINUTES of the meeting of the Audit and Governance Committee held on Tuesday 28 September 2021 commencing at 10.00 am at the Council Chamber - Shire Hall, Gloucester.

PRESENT MEMBERSHIP:

Cllr Matt Babbage	Cllr Alan Preest
David Clowes	Cllr Brian Tipper
Cllr David Drew	Cllr Chloe Turner
Cllr Stephan Fifield	Cllr Susan Williams
Cllr Colin Hay (Chairman)	Cllr Dr David Willingham
Cllr Stephen Hirst	

Substitutes: Cllr David Drew & Cllr Paul Hodgkinson

Apologies: Cllr John Bloxsom & Cllr Alex Hegenbarth

1. DECLARATIONS OF INTEREST

No declarations of interest were made.

2. PUBLIC QUESTIONS

The submitted questions and responses were published online.

The Chair advised members of the public questions were submitted to the Chair of the Audit and Governance Committee and he was unable to answer any questions directed to Grant Thornton. As the Chair he acknowledged the short time frame on this occasion, between the publication of the agenda papers and the deadline for the receipt of questions and such, he had decided to extend the deadline under the urgency rules as defined by the Constitution. The Chair felt the deadline for questions should be clarified further by the Constitution Committee.

The Committee were referred to public question and responses which were circulated in advance of the meeting and were available online for reference. The Chairman welcomed public questioners, Lynn Haanen & Sue Oppenheimer to the meeting, as they had submitted public questions, they were able to ask supplementary questions.

Mrs Haanen attended the meeting virtually and wished to ask a supplementary question, in relation her second question. She wished to know if the Committee still had full confidence in Grant Thornton (GT) and referred to the recent news that GT had been fined £2.3m by the FRC for work on another client. In addition, the FRC had reviewed other audits at other authorities and had concluded that they were incomplete. She wished to know if the Committee had a view.

The Chair explained that as the Committee had not yet discussed the item, so it was not possible to give a view at this stage. It was noted that the Public Sector Audit Appointments contract was due to be renewed in 2024 and the Financial Services Authority (FSA) would start the process, it was anticipated that the Committee's view would be sought at the January 2022 meeting.

Mrs Oppenheimer addressed the Committee on behalf of the four objectors stating that as objectors they were disappointed in the quality of the report and lack of answers. It was originally asked what happened with the contract, they felt the auditor looked at lots of 'might's'. The facts had been given less weight than the 'might's'. It was noted that the contract increased from £450m to £613m, and the annual cost to GCC went up from £15m to £24m per year, inflation was less than 10% and GCC was paying more than the market average for the incinerator. As objectors they felt there was an attempt to whitewash the support. She asked, what the Committee thought of the facts and the 'might's'.

The second question related to the issue that the auditor said it would be difficult to investigate further at this point, given the passing of time. Mrs Oppenheimer felt if the contract details were available in 2015, when the decision was being made it would have been considered by the Audit & Governance Committee. As objectors they believed the auditor and the County Council colluded to hide those contract details. Mrs Oppenheimer informed the Committee that the auditor wrote in 2018 to say the contract of 2016 was not material in terms of determining the value for money of the contract. Given that the increased cost would have impacted on the County Council, how can it not be deemed as material. She asked what the Committee thought about the secrecy that has surrounded this contract from the start and whether that secrecy impacted the Committee's view.

The third question, related to proportionality and she felt this issue should be decided by the Committee and not the auditor. Ms Oppenheimer referred to the auditor's view that it was not proportionate to do more work on this contract, she asked the committee considering the cost of the contract and the increased costs how could this be, when the cost of the investigation would be proportionately miniscule compared to the cost of the contract.

The Chair explained the Committee had not yet had a discussion, so he was unable to answer the questions raised and it was up to Members and the External Auditor to consider the questions raised. The Chair thanked the public questioners for their submissions.

3. MEMBER QUESTIONS

No member questions were received.

4. MINUTES OF THE PREVIOUS MEETING

Resolved

That the minutes of the meeting held on the 30th July 2021 were approved as a correct record.

5. OBJECTION TO ACCOUNTS REGARDING WASTE CONTRACT - EXTERNAL AUDITOR'S REPORT

John Gregory, External Auditor (EA) presented the report and advised the Committee the primary report was detailed at page 43 of the agenda pack.

The Committee were informed it was an unusual auditor's report as it hadn't reached a specific conclusion and the report detailed the reasons why. The objection process was enshrined in law within the auditor's responsibility, and local electors had the opportunity each year to ask the auditor to produce a public interest report and/or to go to the High Court and seek a declaration that there was an unlawful item within the council accounts for that particular year.

However, given the number of objections to the accounts nationally, it was not considered a widespread process and objections were usually dealt by the local auditing team. In this case, the EA agreed to be involved due to his experience with a similar case at another authority.

It was explained that objector had to give reasons and the process was conducted in accordance with a judicial process and both parties' representations were made and then considered by the EA. These objections were then either upheld or dismissed by the Auditor.

The objection was raised in 2017 and raised a wide of range issues around the contract. Determining it had been a long and complex process. A number of issues arise around commercial confidentiality of the contract and at the time, parallel proceedings were going through an information tribunal and direct legal action was being taken by the Directors of CR4C. This process was further delayed due to Covid and therefore it had become a long process. In addition, there were a number of complex issues which required specialist legal advice around public procurement regulations.

The Committee were advised there were a lot of issues raised by the objectors, the one crucial issue was combined with public procurement regulations in accordance with the revised project plan in 2015, and whether those negotiations resulted in the economic balance shifting in favour of the contractor. It was a question of where the economic balance lay and the complexities involved, the EA had taken the view that it wasn't in the public interest to commission the necessary work, particularly as this may still not resolve the matter.

In order to do so, detailed costs and risks would have to be analysed, as the EA he took view that it wasn't in public interest and it wouldn't change the view of the contract that was in place. In addition, he didn't feel it was worth wasting hundreds of thousands pound of public money in doing so, notwithstanding the objectors' comments about the relatively small amount of money in relation to the contract but it wouldn't make any practical difference to the contract. The EA felt it was

important to share the report with the Audit & Governance Committee in accordance with its role within the Council.

Members questioned whether the report should have been issued as a public interest report. The EA explained that initially he did consider producing a public interest report, based on provisional views, however since that time representations had been received from both parties and once those responses had been duly considered, it was evident that there was no need for a public interest report in his opinion. The Committee were referred to page 29 and 30 of the report which detailed the reasoning behind this decision. In response to a question the EA confirmed that it was solely his decision not to produce a public interest report.

In response to a question relating to the market test in relation to cost. The Committee were informed that the EA had not looked at the process in detail, as it was a question of negotiation and this process was conducted by the County Council and it wasn't possible to consider this retrospectively. He explained that the Council took the decision to not retender and Grant Thornton understood the reasons for this decision.

Members remarked that the increase in contract value was determined by UBB, but the EA explained the council would have scrutinised, and challenged those costs as part of renegotiating the contract.

In relation to the increased costs, during the discussion it was noted that the process of negotiations between the Council, UBB, and EY were scrutinised accordingly. It was explained that auditors have the discretion to decide what was in the public interest to investigate further.

Some members wished to know what would the cost of the investigation be in order to have a clearer understanding of the procurement law and if it was broken. It was noted that the cost would escalate into hundreds of thousands of pounds.

It was pointed out that no other contractors who submitted a tender had raised any form of action or objection.

Members wished to know what had led the EA to change his initial view about issuing a Public Interest Report. The EA explained there was no new evidence submitted by either party and neither pressured him into changing his view. As the EA he decided on reflection that it was disproportionate to produce a public interest report.

A member referred to a question raised by the objector in relation to the secrecy of events and being too late to judge the legality of procurement process. The EA felt there was need for caution, as it was a question of commercial confidentiality in 2017 and there were various allegations that were made claiming that information had been withheld. In the EA's view no information was withheld from this Committee and the Committee could have reviewed the information at that time if it had chosen to do so. It was suggested that information had been withheld from the objectors until 2018 which had led to a time delay in terms of the legality of the

procurement. The EA added that it could have been a factor but reiterated that no information had been withheld from him as the Investigating External Auditor and it was a complex situation with legal processes being undertaken, therefore at that time the information was commercially confident.

The Chief Executive Officer (CEO) informed the Committee that there was a huge difference between what was being treated as commercially confidential, i.e. the contractors pricing being open to competitors and when that would be damaging, he confirmed that nothing had been withheld from this Committee.

A member of the Committee wished to know if all the correspondence between the EA and the Council would be shared publicly. The EA explained that he would need to seek advice to check if he could share that information publicly, it was noted that all the information had been shared with the objectors. At this point, the CEO informed the Committee that he had no objection to the information being shared with Councillors or publicly, he added that the Council was told not to share the information as it was part of an exempt process at the time. Members welcomed the offer of the information being shared.

In response to a question, it was explained that the reason for producing the report was to confirm that no conclusions had been reached as to whether it was illegal or not. The report confirmed that there was compliance with the regulations and the EA understood why some would find the report frustrating as it did not reach a conclusion. Members felt the inconclusive report would still lead to speculation and some members originally felt they were deliberately being kept in the dark and wished to know what actions would be taken in the future to ensure this was not the case.

The CEO informed the Committee that GT had spent a massive amount of resource on analysing the situation and four years to not reach a conclusion. In fact GCC had only been given four months to respond, took advice and made a binary decision to proceed with the contract. If the Authority did not proceed with the contract they would have been faced with the possibility of a bill of £100m in penalties. The CEO accepted with hindsight, the authority had learnt from transparency and that perhaps over relied on the commercial confidentiality as it was deemed to be highly sensitive in 2013 and in 2015. He now believed it could have been less commercially sensitive against the public balance of right of information, so with hindsight lessons have been learnt on that issue.

The Executive Director of Corporate Resources explained that it was not uncommon for difficult decisions to be commercially confidential at the time, but to become less so further on down the line. It was noted that Members were privileged to have access to some of that information and they could have called in the decision or scrutinised it in exempt session. It was a highly complex contract and that fact should be borne in mind and going forward there were always lessons that could be learnt. The Executive Director reminded members that the report stated the Council did the best it could in a very short difficult period and sought independent value for money advice from Ernst & Young. It was recognised that

based on the advice they were given at the time the executive believed its decisions were justified.

Members questioned the scale of the uplift in the contract and felt that they might have called the decision in had they known the scale. The Executive Director explained that it was a question of timing. He added that the standard terms and conditions of confidentiality were a constant dilemma for any Authority. A competitor could use that information to their advantage unfairly, and this was a constant challenge. It was suggested that perhaps the terms and conditions of commercial confidentiality could be looked at.

Some members questioned UBB's contractual right to sell the excess capacity to the private market. Members wished to know if those agreements had been reviewed. The EA explained that this factor would not have impact the contract and it was not something an auditor would consider.

One member questioned the fact that 20-30 metric tonnes could be sold to the private market and why this fact was not taken into account. The EA reiterated that various assumptions had been made and he felt it was not appropriate to consider that fact. He explained there were various elements of cross subsidy within the contract.

The CEO informed the Committee that there was a service contract between the County Council and UBB, and the size of the plant was UBB choice. In turn it was UBB's decision to accept waste from the private market and was nothing to do with the Authority. The CEO added that the Authority did benefit from the energy produced.

In response to a question, it was noted that the Council concentrated on best value and had a different view of the legal justification at that point in time and that was set out in the legal annexe of the report. The CEO advised members that perhaps then they were approaching things in a different way and he referred to the report, where it stated that the authority had transparency of UBB business model and rates of return and that was showing that the economic balance of the contract had not changed. He accepted there was a different approach and felt that the use of the clause was appropriate at the time.

It was clarified that report only related to the objection and gave no clear conclusions. The Committee were advised in order to look at the lessons learnt that would be a separate exercise and more costs would be involved. Some Councillors felt the lack of conclusion undermined the process and would diminish public confidence.

The EA explained that the investigation focused on the points raised by the objectors, as set out in the statement of reasons. He felt in terms of lessons learnt the Council could consider an exercise in relation to commercial confidentiality. The EA understood why the public might think the process was unhelpful but equally he would rather be having this conversation at this stage rather than wasting more money to fail to reach a conclusion or practical consequences. As

the EA, he felt it was necessary to draw line under the investigation, and this decision had not been taken lightly.

In terms of commercial confidence, UBB and the financial consideration, members wished to know why the VfM conclusion was completed by the auditors who were doing the main audit of the council and why were there any not contemporary concerns. The EA explained it was difficult for him to comment on the routine VfM of the council at that stage but at the time there were no issues raised at that time. Clearly that audit team did not have the benefit of the specialist legal advice and there was no action being taken by any disgruntled contractors, therefore there was no issue of procurement.

The interim bill to the Council was £30k and the final bill was yet to be submitted which would be approximately £100k in addition. The total charge would be subject to scrutiny by the Public Sector Audit Agency agreement.

It was recognised in 2019 that there was a call for a public inquiry, signed by many members of council and the public. Many of those issues raised were not dealt with by this report, members sought assurance that those issues would be dealt with the appropriate scrutiny committee. The CEO advised members that the role of this committee was the Audit & Governance of this Council. Members were reminded that the report contained two fundamental statements in that Grant Thornton agreed the made the Authority made satisfactory arrangements in securing value for money and GT report concludes the report does not contain any material criticisms of the Authority. The CEO accepted there were some fine points of law, but another five years of investigation wouldn't reach a conclusion.

In terms of the issues of hierarchy, other committees could pursue it if they so wished, however it was not within the brief of this committee to refer those issues. Some members disagreed with the CEO and added that the public wanted assurances that these issues will be dealt with by the appropriate committee.

In response to a question, it was confirmed that no representations had been received from the original tenderers.

The Chair thanked Mr Gregory for attending the Committee. He added that any lessons that could be learnt could come back to this committee and this would be included within the Chair's Annual Report to Council. In addition, the Chair felt Environment Scrutiny in the course of their work plan may wish to look at the operation of the incinerator, given it was now operational.

It was suggested that the public might be disappointed with the report and the lack of a satisfactory conclusion. Members commented that the Energy from Waste facility was not a renewable energy source as depicted within the report. Members questioned the purchase of the site and the planning permission, it was suggested that there were many unanswered questions. Some members felt that many public concerns would have been delayed if a public interest report had been issued last December and the report needed to show accountability and have a definitive conclusion.

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

One member remarked that a lot of time and money had been spent on these issues and the Council had defended its position and it was now time to move on. The Chair concluded that a lot of the objection was about secrecy, and he felt it was wrong to curtail the discussion in the circumstances.

Resolved

That the Committee noted the report.

At this juncture the Committee took a brief adjournment. Councillor Hodgkinson left the meeting at this point.

The Committee reconvened at 12:00pm

6. GRANT THORNTON - GENERAL ENQUIRIES OF MANAGEMENT GCC & PENSION FUND

Alex Walling, Grant Thornton presented the report, it was noted that the report had been circulated to members via email on the 5th August 2021 to the Committee for information.

The Independent Person noted that item 12 on page 73 of the report was incomplete, the External Auditor agreed to look at how assurances were given and would amend the report accordingly.

Resolved

That the report be noted subject to the amendment.

7. GRANT THORNTON AUDIT FINDINGS FOR GCC & PENSION FUND

Alex Walling, Director, 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 2021.

She explained that the 2020/21 audit had continued to present a number of issues, in light of the Covid 19 pandemic and the report reflected the additional challenges for Grant Thornton and the Authority in undertaking their respective responsibilities. The expectations of the regulators had grown year on year, therefore it was essential that GT were doing appropriate work to address the issues raised.

The position statement as detailed on page 92 of the report, detailed that GT had identified a period of adjustment as part of their work and an updated audit finding report would be circulated when the work had been completed. In relation to the prior period of adjustment, it was reported there were no adjustments to the 2020/21 accounts and the finance team should be congratulated on their efforts.

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

There were some disclosure agreements, it was noted this was not a major issue and no local authority had achieved 100%. As a result of this, recommendations had been made to management and as part of the follow up work there were some issues around IT and administration access. Some additional testing would be undertaken around those issues to test further.

Additional areas of work were Property, Plant and Equipment (PPE) revaluation. This was now an issue of concern for the reporting council and issues around floor planning had been identified, GT would come back with further information in due course. The expectation was there would further challenge to the value of property and what underpins those valuations.

It was explained that some sample testing and management reviews were to be undertaken but GT did not intend to modify the audit opinion, this was regarded as a positive for the Council at this stage.

In terms of the Value for Money (VfM) work 2021, the process had been changed by the National Audit Office (NAO) , they had requested more about commentary on the overall arrangements. The VfM work would now look at three key areas deemed important by the NAO:

- Financial sustainability
- Governance of decisions, scheme of delegation, etc.
- Improving efficiency, economy and effectiveness.

Due to Covid the NAO had decided to decouple the VfM work from the accounts work, therefore the accounts work opinion could be given and the VfM work would be ongoing. The aim was to finish the VfM work by Christmas, the commentary known as the auditors annual report would be a public document and would give the Auditor's view on the Council's arrangements in the three areas outlined.

The Auditor was unable to certify the closure of the 2020/21 accounts as part of the statutory duty, this was partly due to Government accounts work was outstanding and no confirmation had been received by the NAO as yet as to what work was required. In addition, GT were required to report on the consistency statement on the pension fund financial statement within the annual report and once the EfW objection was formally concluded and the prior year's audits were closed, only then could this year's accounts be closed.

It terms of significant matters, it was explained that External Audit had not identified any issues during the audit. A lot of good dialogue and challenge had been taking place between officers and GT. Unfortunately this was impacted by Covid and the additional work set by the regulator.

The Executive Director of Corporate Resources advised the Committee that Officers were disappointed that the accounts had not yet been approved as the Finance Team had worked exceptionally hard to complete the work. It was recognised this was a similar position across the Country...

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

In response to a question relating to manual journals and the lack of descriptions, members wished to ensure that manual inputs were not blocked by IT issues. A second question was asked in relation to IT privileged user, members questioned how much of these vulnerability should be detailed in the public domain, as it could leave the authority open to risks and should possibly be in an exempt report.

The Executive Director of Corporate Resources accepted the points raised and explained that IT was being heavily invested in and the service was now being dealt with in house, since doing so this had provided more stability in the Council's network. It was noted that External Audit had picked up on internal user privileges and not ransom wear as referred to by the member.

Members questioned the right of appeal process in relation to VfM sign off. The External Auditor explained there is a 30 day right of appeal. After that, next steps will be decided accordingly.

Resolved

That the report be noted.

8. ANNUAL STATEMENT OF ACCOUNTS

Paul Blacker, Director of Finance explained there had been a change of situation as indicated in the previous item by GT. It was noted the updated report from GT had been circulated to the Committee and was published online.

It was reported that external audit were unable to complete the accounts by the statutory deadline. The Director of Finance explained that the accounts still needed to be published by the statutory deadline of the 30th September 2021, therefore it was proposed that an unaudited version of accounts with a supporting statement be published in the interim period online and be replaced by the approved version at a later date.

The Executive Director of Corporate Resources proposed that the Committee delegate the signing of the accounts and letter of representation to the Chair of the Committee and the Section 151 Officer, providing no material adjustments were required. It was agreed when the Statement of Accounts were finalised they would be circulated to all members of committee for approval prior to signing off.

Resolved

That the Committee delegated signing of the Statement of Accounts the letter of representation on behalf of the County Council and the Pension Fund, to the Chair of the Committee and the Section 151 Officer, providing there were no material adjustments. In addition, it was agreed when completed the accounts would be circulated to all members of committee for approval prior to signing.

9. ANNUAL GOVERNANCE STATEMENT & LOCAL CODE OF CORPORATE GOVERNANCE

Darren Skinner, Head of Planning, Performance and Improvement presented the report in detail and explained that the AGS summarised the Council's corporate governance arrangements in place during 2020/ 2021.

The CIA confirmed that the Council's AGS and associated assurance framework had been developed in accordance with the CIPFA / SOLACE publication Delivering Good Governance in Local Government 2016. This year's annual review had identified 7 key corporate governance matters, the details of which could be found in the reports pack:

- Ofsted inspection of Children's Services;
- Gloucester Fire and Rescue Service (GFRS);
- Recruitment and retention of employees in hard to fill, critical positions; and
- Covid-19 impact on governance.
- ICT and Cyber Security Risks
- Procurement Transformation Programme
- GIS Healthcare and management of the service.

It was noted that these matters would be kept under review and a further update on actions taken to address them would be provided to the Committee, at its January 2022 meeting.

In relation to ICT Governance, members remarked that it was not just a question of staff culture; members should also be included within that point too, as they had GCC Ipads. The Monitoring Officer welcomed the reminder and advised members that phishing email activities had been undertaken to make members aware of good practice and the use of the Council's IT equipment.

The Independent Member felt there was a slight inconsistency and referred to the certification statement as this referred to 2019/20, page 357 of the report. It was confirmed that the dates needed amending prior to approving.

Members questioned the forthcoming Ofsted report and the increase of children going into care during Covid, members wondered how flexible the governance arrangements were.

The Executive Director of Corporate Resources accepted the point raised and advised the Committee at this stage that once the report was received it would be possible to review the governance arrangements in place. Officers anticipated that the report would still say requires improvement. It was noted that it was not possible to second guess at this stage until the report had been received, it would be questioned and duly considered once received. The Monitoring Officer explained that an outcome of 'requires improvement' or better would give the authority greater freedom to manage its own governance.

Resolved

The Annual Governance Statement was approved by the Committee subject to dates on the certification statement being amended.

10. TREASURY MANAGEMENT MID-YEAR REPORT

The Director of Finance presented the report and gave a midyear review of Treasury Management activity to date. The Committee noted that no long term borrowing had matured. He added that in terms of investment returns this period since the beginning of the financial year, had been dominated by Covid and a low interest rate environment.

The Committee noted that there was not much activity on the borrowing front but the Authority had maintained income returns. It was noted that all the Treasury management activity has complied with CIPFA code of practice.

It was explained that the Council focussed on security and liquidity in terms of the Investment Policy. In response to a question, members were informed that £10m was held in responsible investments as part of the new fund.

Resolved

That the report be noted.

11. FINANCE PROCEDURE RULES

The Director of Finance presented the report in detail and advised members he sought their approval to the proposed changes as indicated by the track changes. If the Committee approved the changes then report would be submitted to the Constitution Committee for their consideration.

In response to a question relating to the removal of the paragraph on virement of year end balances, the Executive Director of Corporate Resources explained that the aim was to reflect what the actual practice was. The aim was to give assurances through financial procedures and rules in which the Council works. It reflects what is custom and practice now.

It was explained that the budget and policy framework was policed quite vigorously by the Executive Director, the CEO and the Monitoring Officer. Decisions that do not comply with that framework would go back to Council for a decision.

The Chair shared his view that the outturn should go back to Council, The Executive Director had sought clarification from CIPFA, and some authorities do and some don't.

Resolved

That the Committee approved the amended report and agreed that it be submitted to Constitution Committee for approval.

12. INTERNAL AUDIT PROGRESS REPORT

At this point the Chair referred to a question that was raised at the Council meeting on the 8th September relating to the staffing levels of the CROW team.

The Monitoring Officer explained the Countryside Act gave a deadline of 2026, for the receipt of applications for historic Rights of Way to be added to the Definitive Map. Act. This had resulted in the Council receiving a significant increase in demand. Members were advised that all Councils had a significant backlog as a result of this, and management were looking at the budget plan for next year to see if additional resources could be provided. The Monitoring Officer anticipated that Government would extend the deadline to accommodate the backlog. It was suggested that the Committee could ask Internal Audit (IA) or Environment Scrutiny Committee to look at this issue if they wished to do so.

Some members felt this issue would be exacerbated by the 2026 deadline and felt that Internal Audit should look at this issue. A member of the CROW Committee recognised that the CROW Team were doing a great job but also felt IA should look at this issue.

The Executive Director of Corporate Resources added that management were aware of the issues but felt nothing would be gained by IA looking at the issue. He felt that it should be for the Environment Scrutiny Committee to consider how to progress further and by passing to IA this would be a waste of resources.

The Chair disagreed and felt that the governance arrangements needed looking at further, as it would not be possible to clear the backlog if the team wasn't sufficiently sourced.

The Executive Director of Corporate Resources advised the Committee that they were putting in a bid for additional resources, however it was not possible to do that until the allocation from Government was known. Rather than wasting IA resources perhaps the Executive Director of Economy, Environment & Infrastructure view could be sought primarily in terms of the issues facing the team while dealing with the backlog. After some discussion, the Committee agreed with this approach.

Piyush Fatania, Head of Audit, Risk and Assurance (ARA) presented the report which informed Members of the progress of Internal Audit activity in relation to the approved 2021/22 Internal Audit Plan for activities delivered up to August 2021.

In response to a question relating to the EfW project on page 433 of the report and requested clarity, the Head of ARA agreed to check what the scope related too and would circulate a response via email.

Members raised concerns in relation to limited assurance of the traffic signals, the Head of ARA confirmed this would be followed up by IA and reviewed accordingly.

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

The Committee were advised in terms of grant certification, specific grants were for specific activities with short deadlines, which could prevent the grant being spent in accordance with the conditions and on occasion the grant had to be returned. Officers accepted the more notice of the grant, the greater the opportunity to spend the specific grant. The Executive Director of Corporate Resources explained in terms of the carry forward the plan was constantly under review.

Resolved

That the Committee noted the amendments to and progress against the current 2021/22 Internal Audit Plan;

That the Committee requested senior management attendance at the next meeting of the Committee to provide an update on the actions taken in relation to the recommendations made in the Traffic Signals – Asset Management and Replacement internal audit; and

That the Committee noted the assurance opinions provided in relation to the effectiveness of the Council's control environment comprising risk management, control and governance arrangements as a result of the Internal Audit activity completed to date.

13. ANNUAL REPORT ON REQUEST MANAGEMENT

The Monitoring Officer presented the report in detail. It was explained that the requests management team, in the Information Management Service, was responsible for ensuring the council met its statutory obligations with regard to request management, but this relied on timely engagement with service areas in order to do so. These fell into two categories:

- Freedom of Information (FOI) and Environmental Information Regulation (EIR) Requests
- Subject Access Requests (SARs)

It was recognised over recent years, the council had seen a steady continuation of Freedom of Information (FOI) / Environmental Information Regulation (EIR). In addition, there had been a rise in the number of subject access requests (SARs) being made under the General Data Protection Regulation (GDPR). Many service users request this right as a tool to better understand decisions made that directly affect them and, on occasion, to hold the council to account. The Authority receive fewer SARs than FOI requests, but the volumes of information involved can be immense and as a result, resource-intensive to deal with. Nevertheless, they should be seen as a key part of the ongoing relationship between the council and its service users.

It was noted that the council responded to 73% of all requests with the statutory timescales in the last financial year (20/21), compared with 82% in the previous 12 months.

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

The Committee were advised that numbers received dropped during the pandemic there hadn't been a correlating improvement in performance. The process was highly dependent on service areas providing information in response to requests and during this unprecedented period they had seen unusually high and differing demands on their time.

In response to poor performance rates, a comprehensive review of the corporate team's capacity was undertaken, with additional permanent and temporary resource allocated to the team. The first of these additional resources was in place in September 2020, contributing to the improvement in performance and helping move the council towards the national target of 90% on time, set by the Information Commissioner's Office (ICO).

Members were informed that in August 2020 the council participated in a consensual audit by the ICO, achieving reasonable assurance. As a result of the ICO recommendations a comprehensive action plan in relation to FOI had been developed and the implementation was ongoing. It was noted that the ICO would conduct a follow up audit in November 2021.

In response to a question, the Monitoring Officer explained that it was not possible to give a figure as to how many requests had been refused as this information was not retained. The Monitoring Officer reassured the Committee that he met with the Chief Executive and the Executive Director of Corporate Resources on regular basis to monitor this activity.

The Executive Director of Corporate Resources stated that the availability of information on the Council's website was due to be reviewed. It was essential to direct the public to find the information readily available online.

Improvements were being made to ensure that those young people currently leaving care would automatically be provided with information relating to their time in care. However the challenge would be to deal with historic information, especially in relation to children's services.

Resolved

That the report be noted.

CHAIRPERSON

Meeting concluded at 1.28 pm