

# AUDIT AND GOVERNANCE COMMITTEE

MINUTES of the meeting of the Audit and Governance Committee held on Friday 30 September 2022 commencing at 10.00 am at the .

## PRESENT MEMBERSHIP:

Cllr John Bloxsom	Cllr Brian Tipper
Cllr Tim Harman	Cllr Chloe Turner
Cllr Colin Hay (Chairman)	Cllr Dr David Willingham
Cllr Alex Hegenbarth	David Clowes (Independent Person)
Cllr Mark Mackenzie-Charrington	

**Substitutes:** Cllr Andrew Miller & Cllr Susan Williams

**Apologies:** Cllr Matt Babbage, Cllr Stephen Hirst and Cllr Alan Preest

**Officers in attendance:** Steve Mawson (Executive Director of Corporate Resources), Rob Ayliffe (Monitoring Officer), Paul Blacker (Finance Director), Piyush Fatania (Head of ARA), Stuart Heggs (Health & Safety Manager), Sophie Morgan-Bower (Grant Thornton) and Andrea Griffiths (Democratic Services).

## 18. DECLARATIONS OF INTEREST

## 19. PUBLIC QUESTIONS

No public questions were received.

## 20. MEMBER QUESTIONS

No member questions were received.

## 21. MINUTES OF THE PREVIOUS MEETING

**Resolved**

**That the minutes of the previous meeting held on the 22nd July 2022 were approved as a correct record.**

## 22. EXTERNAL AUDIT FOR GCC & PENSION FUND UPDATE REPORT

Sophie Morgan-Bower, Grant Thornton presented the report, which detailed the progress Grant Thornton had made in delivering their responsibilities as the external auditors.

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

Members were advised that Grant Thornton were still unable to conclude their work in relation to Value for Money (VFM) and the annual auditor's letter was due on the 30th September 2022, as this was not possible GT would issue an audit letter setting out the reasons for the delay. Members were advised this was due to the statutory deadlines not aligning and GT anticipated this would now be December 2022.

The Committee noted the issues at a national level with the Whole Government Accounts submission and GT would report in the Audit Findings Report and they aimed to give their opinion on the Statement of Accounts by 30 November 2022.

The External Auditor proceeded to present the report in detail and advised Committee of the audit planning arrangements, significant risks and the sector update. Members were advised that it would not be appropriate to discuss the IT control issues in a public meeting. It was noted that Senior Management had received the detailed report and were aware of the challenges.

At this point, members requested an exempt briefing session to be discuss the areas of concern. During the discussion, it was requested that the briefing session should detail each of the risks, the potential impacts, timescale assurances (in weeks/months, etc.), materials risks and senior officer assurances. The Executive Director of Corporate Resources agreed to the request.

Members attention was drawn to the sector update and specifically the value of Internal Audit - CIPFA report. The Chair also referred to NAO/Covid 19 report and was interested to know if there were any issues that audit committees should have picked up on, he felt this would be a useful piece of work.

### **Resolved**

**That the report be noted.**

## **23. TREASURY MANAGEMENT UPDATE REPORT**

Paul Blacker, Finance Director (FD) presented the report which informed members of the Treasury Management activities for 2022/23 to date. The report also included a summary of the current economic climate, an update on the borrowing strategy, a review of current investments and compliance with prudential indicators.

Members were advised the number one priority was security and to protect against volatile markets. It was reported there had been no new capital borrowing and 80% of the investments were due to mature within the next year.

In response to a question, it was explained that Arlingclose were also GCC's Treasury Management Advisors and they were in regular contact and often gave advance warning of potential issues.

The Committee wondered how much merit was there in investing in other authorities. The FD explained investing in other authorities often gave a better

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

return compared to investing in money markets and had the added protection of being guaranteed by Government. It was noted that Arlingclose monitored and advised accordingly and were ultra-prudent, therefore any new lending to Thurrock Borough Council had been suspended.

In response to a question concerning Appendix A, members were advised that any loans were in pounds. Members also wished to know if investment in overseas was hedged. The FD explained he would need to clarify this point and would circulate the response to members after the meeting.

### **Resolved**

**That the report be noted.**

## **24. INTERNAL AUDIT PROGRESS REPORTS**

Piyush Fatania, Head of Audit, Risk and Assurance (ARA) presented the Committee with the Internal Audit activity progress report, which met the reporting requirements as set out in the Public Sector Internal Audit Standards (PSIAS) 2017.

The report provided summarised the progress made against the Internal Audit Plan 2022-23, including the outcomes of the Internal Audit Activity delivered up to August 2022 and special investigations and counter fraud activity.

Members were reminded that Internal Audit played a key role in providing independent assurance and advice to the Council that the arrangements in place were operating effectively. It was noted that managements were responsible for establishing and maintaining appropriate risk management processes, control systems and governance arrangements.

The Head of ARA drew member's attention to pages 71 - 74 of the report, which gave a summary of Internal Audit assurance opinions on risk for 2022-23 and explained that ARA had reviewed and refreshed a number of its reports including the Internal Audit Progress Report.

The report summaries were more concise and the Committee could now see the scope of the work, the salient findings and the number of recommendations

The Internal Audit Progress Against Planned work report had also been refreshed. There was a column to show the potential timing of particular audits, the type of work that the audit was, and there was a RAG rating to indicate if audits were due to start on time or not. There was also a comments column to provide more information on each piece of work. The Chair welcomed the changes and stated that he found the reports easier to read.

Members discussed the report and asked a variety of questions relating to counter fraud activities. Some members were concerned for staff in the current economic climate and the heightened financial pressures, the committee sought reassurance

that staff were aware of the support mechanisms in place. The Executive Director of Corporate Resources explained that the Authority were undertaking targeted support for staff and he hoped the pay settlement would be agreed quickly with the union representatives, as this could then be implemented quickly which would help support staff financially.

The Head of ARA explained that the service had improved its risk based methodology to ensure the pertinent risks were picked up. In addition, there were robust controls in place regardless of the level of risk. Some members felt given the magnitude of the Authority's budget, the risk of fraud was counter intuitive.

The Executive Director advised Committee that the greatest concern was ensuring value for money and the increased costs and number of children in care. Members remarked that with regard to direct payments, there was a potential for fraud. It was explained the mechanisms had changed and not the scope and there was some additional work involved in the administering grants at a local level.

In response to a question, members were advised that a follow up audit would be undertaken regarding the limited assurance given relating to children's direct payments and this would be reported back to committee in due course.

Members also questioned the decarbonising of transport strategy and wondered what form would this be taking. Officers explained there was no update available at this point as the work had yet to be agreed.

The Independent Member sought assurance relating to the care homes and that re-budgeting did not have an impact on statutory requirements. The Head of ARA explained that grant certification work was being undertaken and there was no assurance provided, just a conclusion that the grant conditions were met.

### **Resolved**

**That the Committee noted the progress against the Internal Audit Plan 2022/23; and noted the assurance opinions provided in relation to the effectiveness of the Council's control environment as a result of the Internal Audit activity completed.**

### **25. GFRS ASSURANCE UPDATE**

The Committee received a verbal update and were advised that in terms of the GFRS audit progress report, assurances were given that no issues had been overlooked.

### **Resolved**

**That the verbal update be received.**

### **26. DRAFT CODE OF CONDUCT REVIEW**

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

Rob Ayliffe, Monitoring Officer presented the report and sought the Committee's support to recommend its adoption to full Council.

The Monitoring Officer (MO) explained that the aim of the code was to make it easier for dual hatted members to have one common code to abide by. The revised universal code would also make it easier for members of the public to complain and it would allow for the appropriate referral to the Districts if necessary.

Members were advised there had been limited consultation responses and he hoped the Committee would support and commend the revised code to Council for approval in November 2022.

In response to a question, members were advised the Gloucestershire Association of Parish, Town Councils (GAPTC) had also been consulted and they welcomed the revised code. Gloucestershire's District, Town and Parish Councils would each follow their own processes for consideration and adoption of the report. The Committee recognised the need for a common approach and recognised the benefits.

During the discussion, it was recognised that the Nolan principles totally underpinned a person's conduct. However, members recognised that it is not always clear to the public what behaviour falls within the scope of the code. The MO shared the sentiment and added that those who were elected should behave in accordance with the Nolan principles, as it was clearly defined in the code that those who were representing in public office would be held accountable. Once the code had been formally adopted training would be arranged in due course.

The Independent member informed the Committee that he would happily accept the code as a non-voting member. The MO explained that under legislation the code could only be enforced for voting members but he welcomed the gesture of signing up to the code on a voluntary basis.

In response to a question, members were advised that legislation was limited but the individual political groups could take their own action if they wished to do so and issue sanctions, etc. Members felt the Nolan principles were easily adopted and members should conduct themselves in accordance with those principles. The MO explained that the code would clarify and help to maintain high standards of member conduct.

During the discussion, it was suggested that perhaps a link could be provided to members of the public on the GCC website who wished to make a complaint regarding a member's conduct.

It was clarified that once the code had been adopted training would be provided for members and the intention was to also look to align the complaints process across GCC and the Districts.

**Resolved**

**That the committee considered the issues raised in the consultation and confirmed its support for the revised Draft Gloucestershire Code of Members' Conduct.**

## **27. ANNUAL HEALTH & SAFETY REPORT**

The Monitoring Officer explained that annual Health & Safety reports had previously been presented to full Council, however officers felt for greater exposure and discussion it was considered appropriate to submit the report to this Committee. The Committee were reminded that its terms of reference would need to be amended to include this report and would need to be presented to the Constitution Committee for approval.

The Committee were advised that Stuart Heggs had been appointed as the Safety, Health & Environment (SHE) Manager and the team were now fully embedded in council working processes.

In response to a question, members were advised that it was not appropriate for the committee to discuss a serious case that was currently under investigation. Members noted that care home incidents were reported to the Quality Care Commission.

It was recognised that staff were the authority's greatest asset and in order to protect staff welfare Display Screen Equipment (DSE) assessments were undertaken annually to prevent issues such as repetitive strain injury.

In response to a question about lone working at home, members noted that staff were advised to move regularly and supported to make reasonable adjustments where required. As a result of promoting the use of DSE assessment it was noted that the proportion of staff reporting pain and discomfort was on the decrease.

The Committee raised concerns for staff who were verbally and physically threatened and wondered if body cameras were used. It was confirmed that body cameras were not currently being used in social care where this would not be appropriate. However, CCTV was in operation in the reception areas, in order to monitor staff safety, as well as by staff working for contractors in areas such as parking enforcement and public and community transport.

The topic of staff working alone in various situations was continually raised, the SHE Manager explained that they were aware of the issues and they were actively developing lone working policies.

Members were interested to know about safeguards concerning lone working, particularly when a staff member was undertaking a home visit. Officers explained that staff who undertook home visits were asked to ensure their calendar appointments were up to date and to check back in with the office when they were home/safe. The SHE Manager reiterated the team were working to devise safe working practices, as there were different levels of risk depending on the service area, for example child protection, social workers, etc.

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

The Committee noted the report also included the authority's partners and any HSE terms were detailed within contract terms. Members highlighted health and safety training was an area of concern as the compliance had decreased and the details were only reported annually. The Committee requested a six monthly update. (Action -SH)

Members discussed staff sickness levels, it was noted there were many different reasons for staff sickness and many of the reporting systems had been in place for a number of years. Staff were now being encouraged to come in and speak to their teams so they didn't feel isolated, although it was recognised that staff sickness was on the increase as people returned to the office. The Committee understood that the cost of living crisis would undoubtedly impact staff welfare and were advised that support mechanisms were in place to help.

It was noted that stress was not always previously reported as it was often received negatively but the culture was now changing. The Committee were advised in terms of stress reporting, people now felt able to report it, as it enabled the necessary support to be put in place. The Committee accepted that it was difficult to look at the stress variables, as not everything was work related.

In terms of complaints, it was noted that given the nature of GCC's business conflicts occasionally arose. The Committee were reminded that the complaints report was also reported annually.

### **Resolved**

**That the report be noted.**

## **28. THE ANNUAL REPORT OF THE CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE**

Members discussed the annual report and agreed the following amendments:

- Paragraph 3.1: The membership needed to be amended to reflect there were 11 elected members and 1 independent person on the Committee.
- Paragraph 4.6: be amended after the summary statement to include "after a number of years, the objections was resolved"
- The Chairman's foreword be amended to include " During 2021- 2022, the Authority sought an independent view of our risk management. The report was received by the committee and did have a number of suggested improvements, which were accepted by both members and officers. The committee had a training session on the report and the changes that were to be implemented. I believe the changes, including this committee's oversight of the corporate risk register as well as it's management, will make a positive contribution to the council's overall management."

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

**CHAIRPERSON**