



Oversight and Governance

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**Audit and Governance Committee
To Follow**

Friday 14 January 2022
2.30 pm
Warspite Room, Council House

Members:

Councillor Dr Mahony, Chair
Councillor Lowry, Vice Chair
Councillors Bingley, Evans OBE, Laing and Shayer.
Independent Members: Mrs Benny and Mr Shipperley.

Please find enclosed information for consideration relating to agenda item numbers 3 and 4.

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Tracey Lee
Chief Executive

Audit and Governance Committee

3. Minutes (Pages 1 - 14)

To confirm the minutes of the meeting held on 29 November 2021.

4. Tracking Resolutions (Pages 15 - 22)

Audit and Governance Committee**Monday 29 November 2021****PRESENT:**

Councillor Dr Mahony, in the Chair.

Councillors Bingley, Evans OBE, Laing, Morris (substitute for Councillor Lowry) and Shayer.

Independent Member: Mrs Annette Benny.

Apologies for absence: Councillor Lowry and Mr Ian Shipperley (Independent Member).

Also in attendance: Geri Daly (Grant Thornton), Paul Dossett (Grant Thornton), Paul Looby (Head of Financial Planning and Reporting), Brenda Davis (Audit Manager), Ken Johnson (Counter Fraud Services Manager), Andrew Loton (Senior Policy Officer), Giles Perritt (Assistant Chief Executive), Chris Flower (Finance Business Partner), Ross Jago (Head of Governance, Performance and Risk), Adrian Trim (Head of Plymouth Highways), Brendan Arnold (Service Director for Finance) and Helen Rickman (Democratic Advisor).

The meeting started at 2.00 pm and finished at 4.45 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

33. Declarations of Interest

There were no declarations of interest made by Members in accordance with the code of conduct.

34. Minutes

It was agreed that the minutes of the meeting held on 11 October 2021 were an accurate record of the meeting.

35. Chair's Urgent Business

There were no items of Chair's urgent business.

36. Tracking Decisions

Members noted the progress updates contained within the tracking decisions document. Under this item an update on the public availability of a Governance Review report previously submitted to the 26 July 2021 committee meeting by the Council's External Auditor's, was queried. The Assistant Chief Executive responded that legal advice was sought and received confirming that the public availability of the report was a discretionary decision of the Council as to whether parties referred to within the report could be publicly named.

It was agreed that the Chair and Vice Chair would discuss the issues surrounding the public availability of the Grant Thornton Governance Review report and would report back to the Audit & Governance Committee with an update.

37. **Grant Thornton - Audit Progress Report**

A Member of Grant Thornton presented the Grant Thornton Audit Progress Report and highlighted the following key areas:

- work was still ongoing in terms of the legal view on the Miel transaction; this would be discussed later in the agenda;
- testing on the revenue and journals had taken place and Members had been advised on what was intended to happen as well as the results so far;
- the valuation of property and plant equipment had been ongoing through the year focusing upon judgements and estimates made across land and buildings; additional testing had taken place on investment properties which was ongoing;
- the valuation of the pension fund net liability had been completed;
- there had been a number of changes to the disclosure notes in relation to the financial instruments; Council Officers had made necessary changes. Conclusion of the technical review of the accounts was now required to be completed as well as quality assurance measures.

Members discussed:

- if the external auditor could give an indication as to when the investigation into the Miel transaction would be completed – it was responded that legal advice had been sought by Grant Thornton and an indication was given to them that advice would be provided this week. The advice then needed to be evaluated and for a final view to be made however this was a high priority and an assessment would be brought to the Council as soon as possible;
- how much the pension fund liability had been reduced because of the Miel transaction; it was responded that the pension fund liability was estimated at approximately £130m when the original proposition had gone out and was then subsequently revalued by the actuary in the region of £100m. By paying in advance the Council had saved several millions of pounds with was of significant gain to the Council;
- if the amount of money saved due to the accounting treatment of the pension liability fund was considered a fixed amount or a tangible figure and if this would affect the Council budgeting in an accurate way moving forward – it was responded that if the auditor considered that the accounting solution for this transaction was reasonable then the Council wouldn't be required to pay extra contributions in the future and as a

result the medium term financial plan would be in a more secure financial position. It was reiterated by a Member of the committee that the current administration inherited a budget that was sound so could proceed with confidence and that it wasn't known until the last minute if grants applied for had been successful;

- was it considered that the Miel transaction treatment was defined as normal according to Local Government standards or unusual as considered by Grant Thornton? It was responded that the accounting treatment as a payment in advance was perfectly normal and local authorities undertook that practice on a regular basis, and that it was the size of the prepayment which might not be considered as normal due to its scale; Grant Thornton had correctly identified it as unusual and innovative due to the scale and methods adopted;
- was the Miel transaction the only outstanding piece of work in the 19/20 accounts and what was the revised target date for completion? It was responded that work on property plant and equipment evaluations was still required to be completed, as well as investment property evaluations, Grant Thornton's quality reviews of their own work and the technical review that needed to be resolved to make sure that financial reporting was correct and potential adjustments took place. The timescales for completion was driven by the date and content of the legal advice provided on the Miel transaction;
- could officers elaborate on the difficulties in 2018/19 and 2017/18 accounts with the fraud and revenue and expenditure recognition; it was responded that this linked to the Council's treatment of grants. In the previous two years, auditors found errors with how grants were treated; there was a focus in the 19/20 accounts on testing of grants.

Members agreed the note the Grant Thornton Audit Progress Report.

38. **Grant Thornton - Audit Plan 2020/21**

A Member of Grant Thornton presented the Grant Thornton Audit Plan 2020/21 and advised Members of issues the external auditor aimed to focus upon in the following year including revenue cycle, net pension fund liability, financial instruments, fraud and management override of controls and income coming into the Council. In 2021 a new type of income came into the council in the form of covid 19 grants. The change to value for money arrangements was also focused upon due to a new code and detailed work required in financial, sustainability, governance and improving economy, and efficiency and effectiveness.

Members discussed:

- more information surrounding bad debt provision; in response it was highlighted that the information on page 13 of the report linked to accounting estimates and related disclosures. There was ongoing work from the external auditor on revenue recognition for the 19/20 accounts in particular around bad debt provision, and if it was sufficient to meet the

requirements of the Council;

- why were Members being asked to consider non material considerations? In response it was highlighted that the accounting estimates and related disclosures were enhanced for 2021, so in previous years they're not material. If items weren't material, we wouldn't necessarily make any recommendations around improving how they are calculated. It would be a controls issue or just mentioned in our audit findings report, but if we're going forward into 2021, it's about how accurate the accounting estimates are, so you know are there any underlying items, for instance.
- was bad debt an issue and what was a material figure and what wasn't? It was responded that the materiality figure for 2021 was £7,000,000 and the non-material figure was approx. £500k.

The Audit and Governance Committee agreed to note the Audit Progress Report 2020/ 2021.

39. **Audit Actions Review**

The Head of Financial Planning and Reporting presented the Audit Actions Review report and highlighted that the report itself was created to allow Members to monitor two areas of audit recommendations broken into two appendices, appendix 1 and appendix 2.

Appendix 1 focused upon the tracking of Grant Thornton recommendations which arose from the Governance Review undertaken by the external auditor. All recommendations had been completed as documentation had been produced or procedures had been put in place to address all of the recommendations within the report, all within the agreed timescale. Appendix 2 focused upon the tracking of the ongoing recommendations and implementation of those recommendations from Devon Audit Partnership; a number were still outstanding however would be progressed in due course.

A question was asked of officers regarding if the recommendations that were not yet fully implemented was because they were not yet completed or if they were not yet due? In response it was reported that the recommendations were overdue in terms of the timescales originally agreed when the audit was completed, however there could be mitigating circumstances surrounding each recommendation – this information was contained within the report.

It was clarified by the Service Director for Finance that the technical work had taken place for the first recommendation contained within the external auditor's governance review report, specifically "The Council Should further improve its governance arrangements so that the number of key decisions are made outside of formal elected member meetings is limited, thereby enhancing openness and transparency", however it could not yet be considered complete as it was awaiting a decision of the Audit and Governance Committee and was tabled on the agenda for the meeting.

The Audit and Governance Committee agreed to note the Audit Actions Review report.

40. Internal Audit Half Year Report 2021/22

The Audit Manager presented the Internal Audit Half Year Report 2021/22 and advised that the aim of the report was to provide Members with a position statement on the audit work carried out since April 2021 and gave an outline of the review scheduled for quarters three and four. It was highlighted that the mid-year assurance opinion was of reasonable assurance. Particular focus in the introduction to Members focused upon:

- generally the Council had sound systems of governance and risk in place and the midyear statement went towards the end of year audit report which fed into the Annual Governance Statement;
- high level pieces of work focused around cyber security; officers assessed the day to day controls that Delt Services (the Council's IT provider) had in place and drafted a report with recommendations which was submitted to the appropriate director, detailing how the governance arrangements could be enhanced;
- each year officers would coordinate a response to the national fraud initiative and would provide reports to the Cabinet Office;
- one report was investigated under the Whistleblowing Policy; this was known to management and they had taken appropriate steps to help the situation. The policy worked however very few referrals were made;
- the Council had had its external review of public sector internal standards and had been advised by inspectors that officers continued to conform to the necessary standards.

Key areas of questioning from Members related to:

- were there timescales for appointing an information security group, considering the increase in breaches of information affecting Council's due to cyber-attacks? It was responded that the Council had an Information Governance Officer who was well renowned at a national level; there were processes and boards already in place focusing upon cyber security however the report drafted by officers would involve high level discussions between Delt Services and the Chief Executive – progress could be brought back to committee as to what was put in place;
- in appendix I of the report there were three areas rated amber and limited assurance was given – was this because work was not yet completed? In response it was highlighted that:
 - there was limited assurance related to the DBS checks on recruitment as some governance levels and frameworks could be strengthened despite all checks being in place; the aim was to have a stronger structure and framework around that;
 - there was limited assurance with regards to declarations of interest

for Council Officers as the aim was to have a strong process that was embedded across the council as a whole to all officers across all levels knew what a declarations of interest was – this was forming a larger piece of work for HR;

- there was limited assurance around the Childrens additional spend (which was not material) as there were areas that could be strengthened and improvements could be made;
- was there a single central record for DBS checks at the Council? In response it was highlighted that there was an online system where the Council held their DBS checks; a significant amount of testing had taken place for officers and volunteers and there wasn't a single instance whereby a DBS wasn't in place however a stronger standard framework was being aimed for.

The Audit and Governance Committee agreed to:

1. review and note the findings within the report;
2. review and note the Head of Audit mid-year assurance opinion;
3. review and approve the in-year changes to the audit plan.

(Under this item Councillor Bingley declared a personal interest as a Director for a Cyber Company)

41. **Counter Fraud Services Half Year Report 2021-22**

The Counter Fraud Services Manager presented the Counter Fraud Services Half Year Report 2021/22 and briefly introduced an outline of current work and future plans; it was highlighted that cyber fraud was fast becoming a significant area of fraud, and that the Counter Fraud Services Manager was now the Chair of the Devon Tenancy Fraud Forum so would be working closely with partners and local housing associations for the next 12 months.

The following key areas of questioning was raised by Members:

- was this fraud that happened over the counter, or trying to counter fraud? It was responded that the report detailed ways to counter different areas of fraud before they happened, however fraud also happened over the counter;
- did people report fraud direct to the team, as the current email address (corporatefraud.gov.uk) may put off residents by the fact that it referred to corporate fraud other than personal fraud? It was responded that several referrals were received via that email address and also phone from residents and other agencies providing intelligence. Both the Counter Fraud Services Manager and the Service Director for Finance were aiming to drive forward counter fraud in the coming months;

- there appeared to be blue badge misuse near the Plymouth Argyle ground on match days, was this being investigated? It was responded that the majority of blue badge misuse was because third parties were using a family members' blue badge for their own use – there would be more fraud prevention exercises taking place around sporting events in the future;
- was the council spending more time on making sure people who had blue badges used them properly, or on working to ensure that those that were entitled to a badge received one? It was considered that people were required to pay for their blue badge therefore every time a badge was turned down, this affected their chance of mobility as well as money to the Council. It was responded that blue badge fraud was less frequent and officers were aware of the cost implications to the Council. Officers continued to raise awareness of this fraud and civil enforcement officers worked on a daily basis to monitor parking.

The Audit and Governance Committee agreed to note the Counter Fraud Services Half Year Report 2021/22.

42. **Risk and Opportunity Management Strategy 2020 - 2022**

The Senior Policy Officer presented the Risk and Opportunity Management Strategy 2020 – 22 and advised Members that the strategy had been refreshed to improve the effective risk and opportunity management in Plymouth, to comply with good practice and to effectively manage the potential opportunity of threat to the council in achieving its objectives. The intention was to increase the engagement and dialogue around risk and as a result the cycle with which the register of strategic risks was updated was increased in frequency from six monthly to three monthly.

Prior to questioning, Councillor Bingley praised the work of officers in creating the strategy which was considered to be coherent, sequential and chimed with what risk management should look like – the Senior Policy Officer confirmed that whilst he oversaw the work of the strategy, it was the Interim Senior Policy Officer who created the document.

Key areas of questioning from Members related to the following:

- what was the Leader's span of control in dealing with risk management as it was considered that the overall decision maker might be prone to overriding the risks within the strategy – was there a firewall between who was leading this and the overall decision maker? It was responded that the Leader was active in reviewing the strategic risk register however the rating of the risk was the responsibility of the relevant director or service director who were accountable for the mitigation and implementation. There was considered to be a robust yet complex overall net of checks and balances whereby risk was checked at a numbers of levels within the Council;
- there was concern regarding the adult social care workforce and its fragility, was there anything further to add as the situation seemed to be worsening? It was responded that officers would continue to monitor the situation and would work to reinforce the residual element of the strategy

to forecast the impact of mitigation and give timings to that which was key to managing risk;

- how many risk champions were there within the Council, who were they, who chose them and were they spread evenly across directorates? It was responded that there was at least one risk champion in each service area, directors were responsible for selecting who they felt was suitably placed to deliver the role and they helped with updates and coordination and carrying messages to and from the corporate centre;
- the Leader's involvement with the risk register; it was responded that the Leader would discuss the register with Cabinet Members and they would lead the charge from the administration point of view. The responsibility and accountability for delivering the mitigation was worked up inside the service with the Director and Service Director. In terms of performance management, the increase in frequency enabled the ability to hold people to account. It was considered that 6 months was too long a period for red risks for formal monitoring and ensuring oversight in a formal way;
- how much time was there between a risk between reported as red, some action being taken, changes being implemented and then a report being published? Which Cabinet Members were responsible for the risks? In response it was highlighted that Members could be included in the document so they could be easily identified. It was also highlighted that Cabinet Members attended regular portfolio holder meetings during which red risks were discussed – the portfolio holder would be aware of the red risk before it reached the strategic risk register. It was clarified that risk registers were important and had two key functions - at a management level they had a role as a risk management document. For the Audit and Governance Committee they were risk assurance documents giving assurance that there was a sophisticated system to identify risks, score them and deal with them in the way described;
- what was the risk management process? In response Andrew confirmed he would provide Members with a process note describing the flow of the risk management process and would provide a timeline. A recent example of how something had been on the register and had been changed would also be provided;
- was an assessment carried out on moderation between risks? In response it was confirmed that consequences and probability of impact of risks in terms of identifying the score and if red, amber and green was undertaken. Moderation of risks was assessed by the corporate management team to ensure the risk was correctly scored and mitigation was in place to effectively deal with the risk;
- there was concern that the document was simply a risk strategy and was held by the Leader of the council making the risk assessment political. It was considered that a risk strategy should be a firewall with someone who owns it and then someone who was responsible for the executive decision

making; in response it was confirmed that this would be considered by officers.

The Audit and Governance Committee agreed to note the Risk and Opportunity Management Strategy 2020 – 2022.

It was also agreed that Members would be provided with a process note describing the flow of the risk management process and would provide a timeline. A recent example of how something had been on the register and had been changed would also be provided.

43. **Risk Management Monitoring Report - October 2021**

The Senior Policy Officer presented the Risk Management Monitoring Report – October 2021 to Members. Members were advised that the strategic risk register focused upon the risk affecting the organisation as a whole and the operational risks register focused upon departmental business plans. There were two red risks on the strategic risk register both relating to the council's statutory duty to support the most vulnerable members of the community. The operational risk register identified three red risks including falling trees, the management of asbestos in council buildings and risk of injury in council buildings.

Members discussed:

- how new risks make it onto the risk register? It was responded that the rigor around risk management is something that was always sought to be improved. Risks were identified by those in prominent positions in senior management teams. There was a whole host of registers around the council, departmental, directorate ones and ones for projects;
- reassurance was sought as to the issues in childrens services which were experienced across the country and resulting in red risks; it was responded that issues faced by childrens services was a priority for the council and something the director and council as a whole was taking seriously.

The Audit and Governance Committee agreed to note the current position with regard to the Strategic Risk and Opportunity Register (*reason: as part of the Committee's responsibility for monitoring the implementation and ongoing processes for identifying and managing key risks of the authority.*)

44. **Treasury Management Strategy 2022/23**

The Finance Business Partner presented the Treasury Management Strategy 2022/23 and highlighted that the report set out the Council's strategy for borrowing, investment and cash management for the next year.

Key points included:

- over the last 5 / 6 years the Council had been borrowing short term borrowing from other local authorities as it was cheaper due to low interest rates; the Council had approximately £460m of short term borrowing, and £140m of long term borrowing;

- in April 2020 the Council took out an interest rate swap that fixed £75m of borrowing at 0.56% for a 20 year fixed period;
- a new part of the strategy linked to treasury investments and the purchasing of commercial assets – the rules had now changed so that local authorities were not allowed to buy commercial property purely for income, however investments were allowed for job creation, to project jobs, and regeneration.

Members discussed:

- the impact on the council of the government limiting grants;
- how investment in property benefited the authority; it was responded that investment created income for the city - in the future the Council was to look to different ways to create income as the Public Loans Works Board indicated that borrowing purely for income from purchasing commercial assets would no longer be allowed;
- the risk in Council's buying assets and then there being a crash in the market affecting market value price resulting in a loss;
- who made the decision as to whether the investment by a council was for money making purposes; it was responded that officers of the council would make this decision and ultimately the S151 Officer;
- the risks involved for the Council if interest rates increased; it was responded that it was considered by advisors that the market would remain at a low interest rate level for the foreseeable future however the Council would assess short term borrowing to have a better certainty of debt;
- that in terms of capital expenditure, the £188m was financed with £151 – it was queried if money from previous years had not been spent? It was responded that the need to borrow was driven by the capital programme and that the council had been successful with big grants and other contributions and CIL monies.

The Audit and Governance Committee agreed to the Treasury Management Strategy 2022/23 (incorporating the authorised limits, operational boundaries and prudential indicators) to the Council for approval. (This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.)

45. **Capital Financing Strategy 2022/23**

The Finance Business Partner for Capital and Treasury Management presented the Capital Financing Strategy 2022/23 report and advised Members of the change in the report which referred to the Property and Regeneration Fund and the requirement to move away from

purchasing commercial assets purely for yield, and to instead focus upon the regeneration of property to create jobs.

The work of the Finance Business Partner for Capital and Treasury Management, and the team were commended.

The Audit and Governance Committee agreed to recommend the Capital Financing Strategy 2022/23 to the Council for approval. *(This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.)*

46. **Executive Decisions Governance Route - To Follow**

The Head of Governance, Performance and Risk presented the Executive Decisions Governance Route report and advised Members that the report was deferred from the previous committee meeting and set out the proposed guidance for governance considerations for executive members when making key innovative and unusual decisions to ensure openness. The guidance was created in response to a Grant Thornton (external auditor) recommendation which specified that the Council should further improve its governance arrangements so that the number of key decisions made outside of formal meetings was limited to enhance openness. Formal guidance should be developed for the decision makers setting out that discretion could be exercised. This guidance wouldn't force a member to take a course of action but would instead advise Members on how and when they might take decisions and when to consider to not to use their powers of delegation.

It was highlighted that no executive decision had fallen outside of statutory requirements and this guidance was an enhancement to improve openness and transparency.

Members discussed:

- if the actions taken previously regarding the Miele transaction and debt reduction were on chief officer advice and in accordance with the council's constitution? In response it was confirmed by the Service Director for Finance that decisions were taken entirely in line with officer advice and entirely in line with procedures that existed within the council at the time;
- as to the reason why additional guidance was needed if to date there had been no contravention? In response it was confirmed that section 5.2 in the constitution stated that a Cabinet Member may use their discretion to refer a decision to Cabinet however guidance surrounding when discretion would be relied upon would be useful. The guidance was not to correct a fault, but to give advice as to what should be considered when using discretion;
- that this was guidance and that rules were not being set out in the document.

The Audit and Governance Committee agreed to:

- I. endorse the guidance set out at Appendix A of the report;

2. approve the amendment to Part C: 5.2 of the constitution as shown in Appendix B of the report.

47. **Working Group Update: Terms of Reference Review - To Follow**

The Head of Governance, Performance and Risk presented the Working Group Update: Terms of Reference Review document and advised Members that the group met on 8 November 2021 and developed a scope for the review which was detailed on the first page of the report. The plan was to arrange some workshops over the next month and to report those findings to the Audit & Governance Committee in January 2022.

Members discussed that the review should align with the scope set out in the CIPFA publication as it was a key document in setting the committee's framework.

The Audit and Governance Committee agreed to:

1. authorise to proceed with the review of the terms of reference and identify ways to optimise the impact of the Audit and Governance Committee;
2. convene a January Audit and Governance Committee to review the findings from the working group and consider recommendations (to enable a working group to continue to consider how improvements could be made to the functioning of the committee to support the panel in having a greater focus and impact on the Council).

48. **Health & Wellbeing Board - Change to Terms of Reference**

The Head of Governance, Risk and Performance presented the Health and Wellbeing Board – Change to the Terms of Reference report and highlighted that there were minor changes to the document mostly reflecting the change to local organisations involved and some changes to membership in terms of officers of the council. Further changes to the terms of reference document were expected in the new municipal year as a result of changes to the health and care system and how it was structured.

Members discussed –

- the change to the membership; specifically the lead opposition for health which was now suggested to be the opposition member – did this mean the opposition group were free to add anyone from the group to the membership, and who made this suggestion for the change? It was responded that this suggestion came from the Director for Public Health, and yes the opposition group were able to add any member from their group;
- the Chair queried the core membership as he sat on the Health and Wellbeing Board however wasn't listed as a member in the terms of reference document - were other members included in the membership that were not listed on this document? It was responded that Plymouth extended beyond the core membership and that the Board took a decision back in 2012/13 to allow themselves additional members to meet the core

objectives of the Board;

- if the extra members were subject to proportionality; it was responded that political proportionality didn't apply to the Health and Wellbeing Board however to maintain that balance that was the approach. It was clarified the amendment to the Labour member was at the request of the Labour member of the Board;
- it was queried if one opposition member was enough and that if the lead member for health and adult social care, and children and young people were on the membership, should this be shadowed – could this be included? It was responded that given the development of the integrated care system going forward there were going to be a number of governance changes at a regional and sub-regional level. Reviewing changes to the terms of reference in light of those changes would be done by the council and the view there should be more opposition members would be included in the review;
- it was commented that a full picture of the core membership as well as those members that were also able to attend would help add context.

The Audit & Governance Committee agreed to defer the Health and Wellbeing Board – Changes to the Terms of Reference document to the January 2022 committee meeting.

49. **Tamar Bridge and Torpoint Ferry Joint Committee - Change to the Terms of Reference - To Follow**

The Head of Plymouth Highways presented the Tamar Bridge and Torpoint Ferry Joint Committee – Change to the Terms of Reference document and highlighted that the report had been worked on for the previous two years however the Covid 19 pandemic had impacted timescales. Changes had been itemised in the report and had been discussed at the Joint Committee and agreed at 1 October meeting; this decision would then go to full council at both Plymouth and Cornwall in order to be enacted.

Members supported the change to the terms of reference.

The Audit and Governance Committee agreed to accept the changes to the Terms of Reference as agreed by the Tamar Bridge and Torpoint Ferry Joint Committee on 1 October 2021 (to improve the efficacy and governance of the Joint Committee going forward).

50. **Work Programme**

The Chair introduced the work programme document and advised Members of the requirement to hold an additional meeting of the Audit & Governance Committee in January 2022 in order to discuss the working group's report on the potential change to the committee's terms of reference, to discuss to changes to the terms of reference of the Health and Wellbeing Board, as well as receiving a report regarding the appointment of the external auditor; the Committee was advised they could follow the national scheme or alternatively run a local procurement of which there were considered to be a number of risks.

Members discussed:

- the total cost of the local procurement and national procurement exercises for the appointment of the external auditor; Members were advised that detailed analysis would be provided for Member's consideration;
- if the 2019/2020 accounts would be submitted to the January 2022 committee meeting and if there were any consequences of the accounts being late? It was responded that it was unlikely the 2019/20 accounts would be ready for the January 2020 committee meeting and that there were no consequences in terms of penalty to the council to publishing them late;
- concerns regarding the political impact the publishing of the 2019/20 accounts would have, especially during an election period. It was highlighted that there would be a difference in how communications would be deployed by the current administration in comparison to the previous administration had the accounts been published on time;
- when the January 2022 meeting should be scheduled.

Members noted the work programme.

Audit and Governance Committee – Tracking Decisions 2021/22

Minute No.	Resolution	Progress
26 July 2021 Minute 11 – Counter Fraud Services Annual Report 2020/21	<p>The Audit and Governance Committee agreed to:</p> <ol style="list-style-type: none"> 1. note the Counter Fraud Services Annual Report 2020/21 2. recommend that Ken Johnson meets with the relevant Cabinet Member to discuss the report, specifically with regards to how fraud awareness should be publicised. 	<p>Progress:</p> <p>Item 1 – Complete – no further action required.</p> <p>Item 2 – Ongoing - the recommendation from committee was forwarded onto Ken Johnson for his action.</p> <p>Update – this was discussed at 11.10.21 meeting under “tracking resolutions” and it was agreed that Brendan Arnold (Service Director for Finance) would liaise with Ken Johnson (Counter Fraud Services Manager) regarding the action to meet with the relevant Cabinet Member to discuss the Fraud report, specifically with regards to how fraud awareness should be publicised; this would be prioritised.</p> <p><i>Update:</i> Ongoing – briefing documents were in preparation and the engagement was expected in the near future.</p>
26 July 2021 Minute 12 – Committee Training Programme	<p>The Audit & Governance Committee agreed:</p> <ol style="list-style-type: none"> 1. that as part of the training programme, Ian Fyfield would be approached as well as other external providers to deliver training, and that training would be offered to all Members of the Council when considered appropriate to do so; 2. that the development of the training programme for the Audit and Governance Committee would include a closer look at how the committee operated going forward, specifically with regards 	<p>Progress:</p> <p>Item 1 – Ongoing – the training programme is still being developed however approach has been made to Ian Fyfield as suggested and currently awaiting a response. . All members were invited to a training session run by Grant Thornton on 6 September 2021. <i>Update</i> - Initial discussions had been had with Ian; this as well as the training programme would be considered and progressed by the new Head of Governance, Performance and Risk.</p> <p>Item 2 – Ongoing - arrangements were being made as to the review of the committee’s terms of reference. <i>Update</i> – a</p>

Audit and Governance Committee – Tracking Decisions 2021/22

	<p>to its terms of reference; the Chair, Vice Chair and key officers would discuss potential solutions;</p> <p>3. to endorse the programme of training being developed.</p>	<p>working group had met on 8 November 2021 and an update would be discussed at November committee meeting. The terms of reference were to be discussed at 14 January 2022 committee meeting.</p> <p>Item 3 – Complete – no further action required.</p>
<p>Minute 20 - Tracking Resolutions</p> <p>11 October 2021</p>	<p>It was agreed that Brendan Arnold (Service Director for Finance) would liaise with Ken Johnson (Counter Fraud Services Manager) regarding the action to meet with the relevant Cabinet Member to discuss the Fraud report, specifically with regards to how fraud awareness should be publicised; this would be prioritised.</p>	<p>Please refer above to counter fraud report progress (minute 11) for update.</p>
<p>Minute 25 Updated Whistleblowing Policy</p> <p>11 October 2021</p>	<p>It was agreed that –</p> <ol style="list-style-type: none"> 1. all protected characteristics, as set out by law, would be contained within the Whistleblowing Policy; 2. a revised document, including the practical application of the Whistleblowing Policy and its success and assurance as to how the policy was applied in practice, would be submitted to the committee; 3. the Whistleblowing Policy would be presented to the Audit & Governance Committee on an annual basis; 4. the Audit & Governance Committee note the changes and approve the updated Whistleblowing Policy. 	<p>Date: October 2021</p> <p>Progress: This has been emailed to the appropriate officer for action.</p> <ol style="list-style-type: none"> 1. Complete - an Officer confirmed that “Discrimination or unfair treatment as a result of a protected characteristic” was covered within the Grievance Policy and did not sit within the Whistleblowing Policy. The Whistleblowing Policy would be amended to highlight this for clarification. 2. Ongoing – this was queried as there were many routes for a whistle-blower so successes and practical application would be difficult to assess. 3. Complete – this would be scheduled into the work programme on an annual basis 4. Complete

Audit and Governance Committee – Tracking Decisions 2021/22

<p>Minute 31 Statement of Accounts 2020/21</p> <p>11 October 2021</p>	<p>It was agreed that the Audit & Governance Committee –</p> <ol style="list-style-type: none"> 1. would receive a brief note from the Service Director for Finance on the information contained within the table on page 188 of the agenda on the revenue resources available to the Council providing more detail regarding the impact of non-recurring savings and the potential future risk to the budget; 2. amend the recommendation in the report to refer to the delegation of the approval to the Vice Chair as well as the Chair of the Audit & Governance Committee, as detailed below: 3. approve the Statement of Accounts for 2020/21 attached as Appendix B with the understanding that they are currently being audited by GTUK. Should any issues be identified during the GTUK audit Members are asked to delegate the approval of the Statement of Accounts to the Chairperson and Vice Chair of the Audit and Governance Committee, in consultation with the Service Director for Finance. <ol style="list-style-type: none"> a. Reason: Statutory Requirement, the Accounts and Audit Regulations 2015 require the accounts to be: <ol style="list-style-type: none"> i. Considered by committee; ii. Approved by committee resolution; iii. Signed and dated by the person presiding at the committee. 	<p>Date: October 2021 Progress: Actions have been emailed.</p> <ol style="list-style-type: none"> 1. Complete – response emailed to Members. 2. Complete. 3. Complete – no further action
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Audit and Governance Committee – Tracking Decisions 2021/22

29 November 2021 Minute 36 Tracking Resolutions	It was agreed that the Chair and Vice Chair would discuss the issues surrounding the public availability of the Grant Thornton Governance Review report and would report back to the Audit & Governance Committee with an update.	Date: November 2021 Progress: This is being progressed.
29 November 2021 Minute 37 Grant Thornton Audit Progress Report	Members agreed the note the Grant Thornton Audit Progress Report.	Date: November 2021 Progress: Complete
29 November 2021 Minute 38 Grant Thornton Audit Plan 2020/21	The Audit and Governance Committee agreed to note the Audit Progress Report 2020/ 2021.	Date: November 2021 Progress: Complete
29 November 2021 Minute 39 Audit Actions Review	The Audit and Governance Committee agreed to note the Audit Actions Review report.	Date: November 2021 Progress: Complete
29 November 2021 Minute 40 Internal Audit Half Year Report 2021/22	The Audit and Governance Committee agreed to: <ol style="list-style-type: none"> 1. review and note the findings within the report; 2. review and note the Head of Audit mid-year assurance opinion; 3. review and approve the in-year changes to the audit plan. 	Date: November 2021 Progress: Complete

Audit and Governance Committee – Tracking Decisions 2021/22

29 November 2021 Minute 41 Counter Fraud Services Half Year Report 2021/22	The Audit and Governance Committee agreed to note the Counter Fraud Services Half Year Report 2021/22.	Date: November 2021 Progress: Complete
29 November 2021 Minute 42 Risk and Opportunity Management Strategy 2020/2022	The Audit and Governance Committee agreed to note the Risk and Opportunity Management Strategy 2020 – 2022. It was also agreed that Members would be provided with a process note describing the flow of the risk management process and would provide a timeline. A recent example of how something had been on the register and had been changed would also be provided.	Date: November 2021 Progress: The risk management framework is currently under review and officers of the Performance and Risk Team have met with other local authorities in the region and consulted with a Devon Audit Partnership risk specialist to identify best practice, provide assurance against our approach and consider how the current framework may be developed. An update is likely to be available at the March Audit and Governance meeting with requested information.
29 November 2021 Minute 43 Risk Management Monitoring Report October 2021	The Audit and Governance Committee agreed to note the current position with regard to the Strategic Risk and Opportunity Register (reason: as part of the Committee's responsibility for monitoring the implementation and ongoing processes for identifying and managing key risks of the authority.)	Date: November 2021 Progress: Complete
29 November 2021 Minute 44 Treasury Management Strategy 2022/23	The Audit and Governance Committee agreed to the Treasury Management Strategy 2022/23 (incorporating the authorised limits, operational boundaries and prudential indicators) to the Council for approval. (This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.)	Date: November 2021 Progress: Complete
29 November 2021	The Audit and Governance Committee agreed to recommend the Capital Financing Strategy 2022/23 to the Council for approval. (This is to comply with the	Date: November 2021 Progress: Complete

Audit and Governance Committee – Tracking Decisions 2021/22

Minute 45 Capital Financing Strategy 2022/23	CIPFA Code of Practice and discharge our statutory requirement.)	
29 November 2021 Minute 46 Executive Decisions Governance Route	The Audit and Governance Committee agreed to: 1. endorse the guidance set out at Appendix A of the report; 2. approve the amendment to Part C: 5.2 of the constitution as shown in Appendix B of the report.	Date: November 2021 Progress: Complete
29 November 2021 Minute 47 Working Group Update Terms of Reference Review	The Audit and Governance Committee agreed to: 1. authorise to proceed with the review of the terms of reference and identify ways to optimise the impact of the Audit and Governance Committee; 2. convene a January Audit and Governance Committee to review the findings from the working group and consider recommendations (to enable a working group to continue to consider how improvements could be made to the functioning of the committee to support the panel in having a greater focus and impact on the Council).	Date: November 2021 Progress: Complete
29 November 2021 Minute 48 Health & Wellbeing Board Change to Terms of Reference	The Audit & Governance Committee agreed to defer the Health and Wellbeing Board – Changes to the Terms of Reference document to the January 2022 committee meeting.	Date: November 2021 Progress: Due to the development of the Integrated Care System for Devon the Health and Wellbeing Board will undertake a full review of its terms of reference, to ensure alignment with the ICS and Local Care Partnership. A further report will be brought to A&G in March.

Audit and Governance Committee – Tracking Decisions 2021/22

29 November 2021 Minute 49 Tamar Bridge and Torpoint Ferry Joint Committee – Change to the Terms of Reference	The Audit and Governance Committee agreed to accept the changes to the Terms of Reference as agreed by the Tamar Bridge and Torpoint Ferry Joint Committee on 1 October 2021 (to improve the efficacy and governance of the Joint Committee going forward).	Date: November 2021 Progress: Complete
29 November 2021 Minute 50 Work Programme	Members noted the work programme.	Date: November 2021 Progress: Complete

Key:

Grey shaded box = action complete

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