

## Audit and Governance Committee

**Monday 25 July 2022**

### **PRESENT:**

Councillor Luggar, in the Chair.  
Councillor Lowry, Vice Chair.  
Councillors Evans OBE and Finn.

Independent Member: Mr Ian Shipperley.

Apologies for absence: Mrs Annette Benny.

Also in attendance: Paul Looby (Head of Financial Planning and Reporting), Paul Dossett (External Auditor), Ross Jago (Head of Governance, Performance and Risk), Clare Cotter (Head of Health and Safety), Brendan Arnold (Service Director for Finance), Ken Johnson (Counter Fraud Services Manager), Brenda Davies (Audit Manager), Caroline Marr (Senior Policy Advisor), Emma Jackman (Head of Legal Services) and Helen Rickman (Democratic Advisor).

The meeting started at 2.00 pm and finished at 4.25 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.*

### 1. **To Note the Appointment of Chair and Vice Chair for the Municipal Year 2022/ 2023**

Members noted the appointment of Councillor Luggar as Chair, and Councillor Lowry as Vice Chair for the forthcoming municipal year 2022/23.

### 2. **Declarations of Interest**

The following declarations of interest were made by Members during the course of the meeting in accordance with the code of conduct in respect of items under consideration:

<b>Name</b>	<b>Minute Number</b>	<b>Reason</b>	<b>Interest</b>
Councillor Lee Finn	12	He is a Member of Devon Audit Partnership	Personal
Councillor Luggar	12	Member of the Devon Audit Partnership Oversight Committee	Personal
Councillor Evans OBE	8	He is a Director of the LGA	Personal

3. **Minutes**

The minutes of 28 March 2022 were agreed as an accurate record of the meeting.

4. **Chair's Urgent Business**

There were no items of Chair's urgent business.

5. **Audit Actions Review**

Paul Looby (Head of Financial Planning and Reporting) presented the Audit Actions Review report to Members. The report focused upon the actions and recommendations from the Council's external auditor, Grant Thornton, and the Council's internal auditor, Devon Audit Partnership.

It was highlighted that –

- (a) the Council was still awaiting the 19/20 Statement of Accounts and Final Audit therefore there were no external audit recommendations to report upon. The report primarily focused upon internal audit recommendations; tables contained within the report detailed a breakdown of recommendations and progress made;
- (b) further detail was provided on table 2 (contained within the report) by the Service Director for Finance, who explained that the special guardianship order item had been completely delivered so the table would be updated for the next meeting.

In response to questions officers referred to substantial work carried out by internal audit with regard to business support grants and a report would be provided to Members for assurance.

Members agreed that a report would be submitted to the Committee detailing work undertaken by internal audit in relation to covid related grants.

6. **External Audit Update Report and Sector Update**

Paul Dossett (External Auditor) provided the External Audit Update Report and Sector Update to Members.

It was highlighted that –

- (a) the report detailed an update on the Council's 2019/20 accounts with two material issues stopping progression, specifically the pensions deficit transaction and the national issue surrounding infrastructure assets;
- (b) in terms of the pension deficit transaction, this was going through a legal process which was expected to be addressed within the next few weeks;
- (c) regarding the infrastructure assets, this was an issue affecting several local authorities; since the turn of the calendar year there had been very few accounts signed off where councils had infrastructure assets (bridges/ roads/

street lighting/ coastal defences etc), due to a discovery that many councils weren't fully compliant with the law; this was subject to a CIPFA consultation.

Further reports on the closure of the 19/20 accounts, and an assessment of the Council's financial sustainability would be submitted to the September meeting.

In response to questions it was reported that –

- (d) the issue surrounding the audit of infrastructure assets was a national issue and was not specific to Plymouth. There was an assumption that this could be dealt with quickly, however CIPFA reviewed timescales which were considered found to be longer than anticipated. The Council would comply with the adjusted CIPFA code;
- (e) mechanisms in place for appreciation/ depreciation of the asset base were being reviewed. In the past some councils had applied different policies updating the value of their assets for improving the structure etc therefore there was concern that there was a national difference of practice.

The Audit and Governance Committee agreed –

- (1) to note the report;
- (2) that the Chair and Vice Chair would be briefed on the pension deficit transaction prior to the next committee meeting.

## 7. **Risk Management Monitoring Report - May 2022**

Ross Jago (Head of Governance, Performance and Risk) presented the Risk Management Monitoring Report – May 2022 to Members. It was highlighted that –

- (a) the latest update on the strategic risk register included two new risks bringing the total risks to 22.
- (b) the first new risk related to IT supply chain constraints, and the second to adult social care reforms.
- (c) there were a total of five red risks on the register as detailed in the report, this was up from three when the report was last presented to committee.
- (d) these were all pre mitigation and the actions in the report were aimed at reducing the risk score. The Overview and Scrutiny Management Board discussed the risk register at its last meeting, where they agreed that risk management would become a regular agenda item at all overview and scrutiny committees as part of performance reporting – a report of those discussions at scrutiny would be provided to the Audit and Governance Committee in the future.

In response to questions from members, it was reported that -

- (e) scrutiny reports on risk would form part of a standing item at the Audit and Governance Committee meetings.
- (f) the scrutiny management board had requested that officers develop a single and consistent way of reporting risk to scrutiny which would form part of a wider performance report. Officers had also been tasked with ensuring a workshop was arranged for Members upon performance and risk;
- (g) a response as to whether NHS continuing healthcare assessments were impacted on financial risks in Adult Social Care would be provided outside of the meeting.

The Audit and Governance Committee agreed -

- (1) to note the current position with regard to the Strategic Risk Register;
- (2) that an update from overview and scrutiny committees regarding risk management would be included as a standing item on the Audit and Governance Committee meetings going forward;
- (3) that a response would be provided to Councillor Finn as to if the NHS continuing healthcare assessments was having an impact upon the outcome of the risk assessments.

## 8. **Member Development and Training**

Ross Jago (Head of Governance, Performance and Risk) presented the Member Development and Training update.

It was highlighted that –

- (a) the report covered an update on training over 2021/22 with a view of the induction undertaken following the recent election;
- (b) the pandemic had impacted upon the council's development activity, however although curtailed it did continue with a focus upon ensuring Councillors were able to access technology during lockdown allowing them to undertake their duties and join meetings remotely;
- (c) in 2022 a fresh approach was taken for the Member induction which was informed by discussions with Councillors and their views upon what previously worked well and what didn't;
- (d) the recognition that the election campaign had an impact upon candidate's personal and working life was considered and the programme was designed to accommodate this;
- (e) it was hoped that the Council could work towards the Local Government

Association Member Development Charter status and achieve that during this municipal year however in order to deliver that a cross party steering group was anticipated to assist in the assessment of the current provision and to develop a member development strategy.

In response to questions from members it was reported that free access to the LGA e-learning packages had been promoted to Councillors, this and other offers from the LGA would be promoted in the weekly Councillor bulletin.

The Audit and Governance Committee agreed –

- (1) to note the activity undertaken and planned development opportunities;
- (2) to support the ambition to gain Member Development Charter Status and necessary strategy development;
- (3) to support the creation of a Councillor Development Steering Group to report to the Audit and Governance Committee of the Council.

*(Under this item Councillor Evans OBE declared a personal interest as a Director of the Local Government Association)*

#### 9. **Disclosure and Barring Checks for Councillors - Policy**

Ross Jago (Head of Governance, Performance and Risk) presented the Disclosure and Barring Checks for Councillors Policy. It was highlighted that –

- (a) the report originated from previous discussions held at the Audit and Governance Committee in October 2021 whereby Councillors asked that officers investigate the possibility of DBS checks for all Members;
- (b) there had been a different approach in Plymouth over the last few years which was reflected in different policies and council's across the country;
- (c) in order to clarify the local approach by the Council the report was drafted in discussion with the Monitoring Officer;
- (d) there was no statutory requirement for all Councillors to undergo DBS checks and the Council was unable to compel Councillors to undertake basic checks by virtue of being a Councillor alone, however Councillors who performed specific roles such as the Cabinet Member for Children's Services, and Corporate Parenting Group Members should undergo DBS checks.

In response to questions from members it was reported that –

- (e) that the Lord Mayor and Deputy Lord Mayor were required to undertake DBS checks according to the report as they have contact with children and vulnerable people during their visits;
- (f) the Council was unable to legally compel or require all 57 Members to have a

DBS check as mandatory requirement for being a Councillor;

- (g) legislation does not allow for a DBS check for all 57 Members, the council was unable to compel the requirement to do so under members allowance arrangements as they were not legally able to do so;
- (h) further consideration of whether the Council was able to publicise if a Councillor had not undertaken a DBS check as this was considered personal sensitive information;
- (i) it was confirmed that officers were happy to involve group whips in discussion regarding DBS checks.

Councillors raised issues with the practical implementation of the policy, including the issue of the Local Mayor and Deputy Lord Mayor consorts, and considered that Member involvement was required to help progress issues raised.

The Audit and Governance Committee agreed to defer the Disclosure and Barring Checks for Councillors Policy for further consideration to the September 2022 committee meeting.

10. **Election Cycle Report**

Ross Jago (Head of Governance, Performance and Risk) presented the Election Cycle Report. It was highlighted that –

- (a) the report was submitted for approval at 21 March 2022 Full Council meeting; it was determined via a motion to defer consideration of this item to the Audit and Governance Committee to review and make further recommendations to Council concerning public consultation;
- (b) the report asked whether the Council should undertake a public consultation on a move to elections every four years; the Council would not be bound by the outcome of the consultation;
- (c) timelines of proposed activities for both the Council and the Electoral Commission were contained within the report.

In response to questions from members it was reported that –

- (d) that legislation referred to in the report did allow for a consultation to take place rather than a “poll”;
- (e) if the committee recommended to Council that a consultation should be undertaken it would be considered by Council in September 2022. Following that the Audit and Governance Committee would design the consultation process which would include who was consulted and how, and over what period and when;
- (f) it would be in the gift of the Committee to determine how best they could input into the consultation. Following the September meeting of Council, the

Committee would design the consultation and approve its implementation in June 2023. The results of the consultation would be analysed and would support councillors decision making at Council in September 2023 whether to move to a four year cycle (requiring a two thirds majority at Council);

- (g) the Councils listed in Appendix B had gone forward with a consultation process but were a sample of the councils with consultation responses. It was requested that the entire list was provided to Members;
- (h) a local authority could to a certain degree control its ward boundaries however the power rested with the Boundary Commission;
- (i) if the Council carried on with elections by thirds the Boundary Commission review would result in change to numbers of councillors in wards.

The Audit and Governance Committee agreed to defer the Election Cycle Report to the September 2022 meeting in order to facilitate greater Member involvement which would specify what further information was required to enable Members to make a decision as to the nature of the consultation.

11. **Health, Safety and Wellbeing Annual Report 2021/22**

Clare Cotter (Head of Health and Safety) presented the Health, Safety and Wellbeing Annual Report 2021/22. It was highlighted that –

- (a) the rollout of SHE Assure HSW system across all directorates for the management of incidents and hazard reporting was ongoing. Benefits of the system included which included a reduction in time that people had to report incidents from eight days to four days with the aim to reduce this to 24 hours.
- (b) new key performance indicators regarding the closure of incidents specifically focusing upon the time taken to close them and investigate them properly was proportionate to the incident that had occurred.
- (c) no regulatory actions had occurred this year however the Council was still awaiting the HSE decision as to whether they were seeking to prosecute following their intervention in 2017 – 2019 regarding the control of exposure to vibration. Trade Unions had endorsed the Annual Report.

In response to questions from the members it was reported that –

- (d) in 2018 the Council was served an improvement action against the management of exposure to vibration which was pertinent in street scene and waste service, in bereavement services, Mount Edgumbe and Poole Farm where colleagues were using vibrating equipment – if this was done in an unmanaged way it could lead to damage to the hands;
- (e) numbers of officers undertaking mandatory training had dropped over the period of the pandemic action was being taken to address this.

- (f) it was confirmed that cursory investigation of minor incidents continued and were proportionate to the incident. Hazard reporting was now monitored on the SHE Assure system.

The Audit and Governance Committee agreed to note the contents of the report and congratulated on the Council being awarded the Silver Wellbeing at Work Award.

12. **Counter Fraud Services Annual Report 2021 - 2022**

Ken Johnson (Counter Fraud Services Manager) presented the Counter Fraud Services Annual Report 2021/ 22. It was highlighted that –

- (a) in the past 12 months every allegation of fraud made in connection with the Council had been investigated and 240 allegations had been received, down on previous years.
- (b) Officers assisted departments in the Council in undertaking data analysis exercises to identify potential fraud and error, and the team had supported the Council's commitment to the National Fraud Initiative.

In response to questions from members it was reported that –

- (c) fraudulent use of blue badges included when the blue badge holder had deceased, or anyone using the blue badge for their purposes without the blue badge holder being present;
- (d) in relation to grant fraud, Plymouth was strong in its implementation of the grant scheme and had assisted throughout the process. The Government was asking for accountability and the team were working with the Section 151 Officer to deliver. Different councils took different approaches to the grant scheme;
- (e) the team publicised when a prosecution had been made by the Council however generic publicity would be considered where appropriate.

The Audit and Governance Committee agreed to note the Counter Fraud Services Annual Report 2021 – 2022.

*(Councillor Finn declared a personal interest as he is a Member of the Devon Audit Partnership)*

13. **Internal Audit Annual Report**

Brenda Davies (Audit Manager) presented the Internal Audit Annual Report. It was highlighted that –

- (a) the report summarised the work undertaken by Devon Audit Partnership during 2021/22, reviewed the performance and effectiveness of the Internal Audit Service, and provided an audit opinion on the adequacy of the Authority's internal control environment;



- (b) the Head of Internal Audit's opinion was of "reasonable assurance" on the adequacy and effectiveness of the authority's internal control framework.

In response to questions from Members, it was reported that the achievement of "substantial assurance" would be challenging especially during the current economic climate. The Section 151 Officer considered the reasonable assurance rating was a great achievement.

The Audit and Governance Committee Members praised the work of the Devon Audit Partnership for their report and work undertaken.

The Committee agreed to note that based on work performed during 2021/22 and previous years' audit, the Head of Internal Audit's opinion is of 'reasonable assurance' on the adequacy and effectiveness of the Authority's internal control framework.

#### 14. **Internal Audit Charter and Strategy 2022/ 23**

Brenda Davies (Audit Manager) presented the Internal Audit Charter and Strategy 2022/23 report and highlighted –

- (a) that one of the requirements of the Public Sector Internal Audit Standards was that the purpose, authority and responsibility of the internal audit activity were formally defined in an internal audit charter and strategy;
- (b) there were just two sections where the wording had been updated from the version agreed in July 2021. The first related to the recent external quality assessment review to ensure conformance with the Public Sector Internal Auditing Standard and the International Standards for the Professional Practice of Internal Auditing;
- (c) such a review must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation (page 5 of the report). The outcome of the assessment was that we generally conform;
- (d) the second section (page 11 of the report) detailed changes in qualifications due to staff movement.

Members discussed the reduction in the number of CCAB qualified members of staff from four to three however it was confirmed that they had gained one new member of staff with this qualification therefore this was an increase from three to four.

The Audit and Governance Committee agreed the Internal Audit and Charter and Strategy for the year 2022/23.

#### 15. **Tracking Decisions**

Members discussed the tracking decisions document.

It was highlighted that a previous action relating to the Service Director for Finance meeting the Leader of the Council in order to discuss Counter Fraud activity was not signed off as complete due to the change in Leadership, however a meeting had been arranged with the Cabinet Member for Finance.

It was queried why a previous decision to include the Code of Conduct for Officers and the IT policy was not on the document however it was confirmed that these items were contained on the committee's work programme.

The Audit and Governance Committee noted the tracking decisions report.

16. **Work Programme**

Members discussed the work programme and acknowledged the inclusion of the following items as agreed/ deferred from the meeting:

- Disclosure and Barring Checks for Councillors – Policy
- Election Cycle Report
- Risk Management – Scrutiny (standing item)

Members discussed the size of Audit and Governance Committees agendas and the feasibility of approaching specific items such as 'updates' in a way to allow greater time for consideration on other reports for discussion.

It was agreed that the Chair and Vice Chair of the Audit and Governance Committee would meet to discuss how reports would be considered at future meetings.