

Audit and Governance Committee

Monday 30 July 2018

PRESENT:

Councillor Kate Taylor, in the Chair.
Councillor Dr Mahony, Vice Chair.
Councillors Smith, Stevens and Carson (Substituting for Councillor Mrs Pengelly)

Co-opted Representatives: Mr Stewart

Apologies for absence: Mr Clarke and Councillor Mrs Pengelly (Councillor Carson Substituting)

Also in attendance: Siân Millard (Oversight and Governance Manager), Andrew Hardingham (Director for Strategic Transformation and Change), Brenda Davis (Audit Manager), Julie Hosking (Corporate Risk Advisor), Ken Johnson (Counter Fraud Services Manager), Ross Jago (Senior Governance Advisor), Chris Wlaznik (Audit Manager BDO), Donald Plane (BDO), Carolyn Haynes (Financial Controller), Chris Flower (Finance Business Partner Capital Treasury and Management), Linda Torney (Assistant Head of Legal Services) and Jamie Sheldon (Democratic Advisor).

The meeting started at 3.00 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.

14. **Declarations of Interest**

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

15. **Minutes**

The minutes of the meeting held on 31 May 2018 were approved as an accurate record.

16. **Chair's Urgent Business**

Under this item, the Chair proposed changing the order of business to take the Statement of Accounts 2017/18 and the Annual Report Charged to those with Governance as the last two items. The chair also proposed adjourning prior to these items so that members could be briefed on the supplementary information that was provided on the day.

The Audit & Governance Committee agreed the Chair's proposals.

Order of Business

With the permission of the Chair, the order of business was amended, as set out below in the minutes.

17. **Internal Audit Interim Follow-Up Report**

Brenda Davis (Audit Manager) presented the Internal Audit Interim Follow-Up Report highlighting the following points to Members:

- this was a follow up report that was requested at Audit and Governance Committee on 31 May 2018;
- discussed the “improvements required” areas in the report.

The Audit & Governance Committee agreed to note the findings within the report.

18. **Operational Risk Monitoring Report**

Julie Hosking (Corporate Risk Advisor) presented the Operational Risk Monitoring Report highlighting the following points to Members:

- outlined the continuing progress being made across Services in delivering Operational Risk and Opportunity Registers in line with the Council’s shared vision and priorities;
- the total number of operational risks now reported has increased from 112 to 121, comprising of 1 high (red) risk, 76 medium (amber) risks and 44 low (green) risks.

Members discussed the following:

- how frequently risk are monitored

The Audit & Governance Committee agreed note and endorse the current position with regard to operational risk and opportunity management.

19. **Risk and Opportunity Management Annual Report**

Julie Hosking (Corporate Risk Advisor) presented the Risk and Opportunity Management Annual Report highlighting the following points to Members:

- the work carried out during 2017/18 to develop the Council’s approach to risk and opportunity management;
- the Risk & Opportunity Management Strategy;
- the Corporate and Operational Risk Management Groups;
- the Plymouth City Council/NEW Devon CCG Joint Risk Register;
- the performance and risks;
- the Internal Audit Report;
- the Focus for 2018/2019;

The Audit & Governance Committee agreed:

1. to note the Risk and Opportunity Management Annual Report.
2. to note the Risk and Opportunity Management Strategy 2018-20.
3. to note the Internal Audit Risk Management Follow-up Report 2017/18.

20. **Counter Fraud Report**

Ken Johnson (Counter Fraud Services Manager) presented the Counter Fraud Report highlighting the following points to Members:

- summarised the work carried out during 2017/18 by the Corporate Fraud Team in order to counter fraudulent threats to the Council's budget and reputation.

Members discussed the following:

- advertising the Fraud E-Learning training to Councillors;
- the breakdown of internal and external allegations;
- whether it was cost effective to have more staff if it generates income;
- how information is shared between law enforcement agencies;
- exploring the possibility of using apprentices to assist with work.

Action - Ken Johnson (Counter Fraud Services Manager) to send the Fraud E-Learning training package to Councillors

The Audit & Governance Committee agreed to note the Annual Report.

21. **Delegated Decision Publication Dates**

Ross Jago (Senior Governance Advisor) presented the Delegated Decision Publication Dates report highlighting the following points to Members:

- the proposal to amend the day on which Executive Decisions were normally published from Mondays to Wednesdays;
- changing the day on which all decisions were published will bring Cabinet decisions into line with the standard call-in timescales;
- how under the current process decisions taken at Cabinet are not published until the following Monday and were then subject to a further call-in period of a week.

Members discussed the following:

- Possible further delegations of power to the Audit & Governance Committee.

The Audit & Governance Committee agreed to recommend to Council that the Constitution is amended to reflect that the day on which executive decisions are usually published is Wednesday. (Part C of the Constitution Para 4.4)

22. **Key Decision Threshold and Forward Plan**

Ross Jago (Senior Governance Advisor) presented the Key Decision Threshold and Forward Plan report highlighting the following points to Members:

- the proposed changes to the definition of a key decision;
- the changes will provide additional responsibility and accountability to individual cabinet members for decisions in their portfolio area;
- the improved efficiency of the decision making process;
- the changes would still maintain open and transparent decision making;
- decisions would still remain subject to scrutiny and call in;
- the process of the Forward Plan and the Call-in process for executive decisions.

Members discussed the following:

- the rationale for the requested change.

The Audit & Governance Committee agreed:

1. to recommend to Council that the new definition of a Key Decision as outlined at appendix one is adopted;
2. to note the Forward Plan and Call-in processes;
3. subject to (1) above, delegate to the Monitoring Officer any required consequential amendments to the constitution for Council approval in September.

23. **Lord Mayoralty Update**

Siân Millard (Oversight and Governance Manager) gave the committee an update on Lord Mayoralty highlighting the following points to Members:

- the procedure for flag pole being raised at Elliot Terrace when the Lord Mayor stays overnight and the health and safety issues surrounding this. This practice had been paused and solutions were being explored.

Members discussed the following:

- an issue regarding a recent dinner at a civic event and that refunds had been offered to those affected.

The Audit & Governance Committee noted the update.

24. **Tracking Resolutions**

Members noted the update.

25. **Work Programme**

Members discussed the work programme for 2018/19 and agreed to add the following items:

- Whistle Blowing and Anti-Fraud
- Strategic Risk Register
- Key election dates

26. **Statement of Accounts 2017/18 - To Follow**

The Committee adjourned to have sight of the supplementary information provided to members.

Carolyn Haynes (Financial Controller) presented the Statement of Accounts 2017/18 highlighted the following points to Members:

- the Council's draft Statutory Statement of Accounts for year ending 31 March 2018 were prepared and approved ready for our external auditors by the Interim Joint Strategic Director for Transformation and Change on 31 May 2018;
- the Accounts had now been audited and were being presented to Audit Committee for approval;
- the Accounts and Audit Regulations require the accounts to be formally approved and published on or before 31 July 2018;
- the Issues raised by the auditor were outlined in the report, including a summary of the changes made since the draft accounts were produced.

Members discussed the following:

- authorising the Interim Director for Transformation and Change (section 151) officer to agree minor amendments to the Statement of Accounts before 31 July 2018 deadline.

The Audit & Governance Committee agreed:

1. to note the amendments made to the Statement of Accounts for 2017/18 as agreed with the Auditor, and outlined in this report.
2. to approve The Statement of Accounts for 2017/18 as attached at Appendix A.
3. to authorise the Letter of Representation attached at Appendix B of the report for submission to the Auditor.
4. approve the Statement of Accounts and authorise the Interim Director for Transformation and Change (Section 151 Officer) to agree any minor amendments following confirmation of the auditor's report, subject to any such amendments not having an impact on the Council tax payer.

27. **Annual Report to Those Charged with Governance - To Follow**

The Committee adjourned to have sight of the supplementary information provided to members.

Chris Wlaznik (Audit Manager BDO) And Donald Plane (BDO) presented the Annual Report To Those Charged With Governance highlighting the following points to Members:

- summarised the results of completing the planned audit approach for the year ended 31 March 2018;
- that this report was an integral part of BDO's communication strategy with Plymouth City Council;
- that this report had been prepared solely for the use of the Audit and Governance Committee and those charged with Governance.

The Audit & Governance Committee agreed:

- to note the report