

# Audit and Governance Committee

Tuesday 26 September 2023

## PRESENT:

Councillor Allen, in the Chair.  
Councillor Finn, Vice Chair.  
Councillors Dr Mahony, Raynsford and Stevens.

Independent Member Mrs Annette Benny.

Also in attendance: Louise Clapton (Senior Auditor for Finance, Assets and Efficiency), Alison Critchfield (Interim Head of Legal), Paul Dossett (External Auditor, Grant Thornton), Glenda Favor-Ankersen (Head of Electoral Services), Carolyn Haynes (Head of Finance), Ross Jago (Head of Governance, Performance and Risk), David Northey (Interim Service Director for Finance), Giles Perritt (Assistant Chief Executive) and Jon Roberts (External Auditor, Grant Thornton).

The meeting started at 12.30 pm and finished at 3.08 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.*

## 22. **Declarations of Interest**

No declarations of interest were made.

## 23. **Chair's Urgent Business**

There were no items of Chair's urgent business.

## 24. **External Audit Progress Report**

Paul Dossett (External Auditor, Grant Thornton) introduced the report and highlighted the following points:

- a) Budgets for following years had had to be set, even though the disagreement around the impact of the pension transaction had not been agreed on;
- b) He had interpreted legal advice received to mean that should the Council set the 2024/25 budget, without resolving the issue of this transaction, there was a risk that the Council would be setting an illegal budget;
- c) Grant Thornton had engaged very constructively with Council Officers in recent weeks and Council Officers had engaged in discussions with DLUHC to try to resolve the issue;
- d) There had been a net gain from the transaction.

Jon Roberts (External Auditor, Grant Thornton) added:

- e) They had been working on the 2020/21 audit, around the issue of the previous transaction, so that once the transaction was resolved it would 'roll' forward into 2020/21;
- f) The 2020/21 audit had progresses since the last meeting and it would be ready for sign off in October 2023;
- g) They would be checking the Council's vulnerability to works relating from the discovery of RAAC;
- h) Following equal pay liabilities at Birmingham Council, which attracted national news coverage, Grant Thornton would be looking at risk and liabilities relating to this issue across their portfolio;
- i) Should expected reforms, as set out in the paper, have taken place, there would be the option to apply a 'backstop' 2021/22, meaning auditors could 'jump' that year and go straight to 2022/23 which had the benefits of auditors working on more up to date information, and secondly if the audit code amendments for property valuation and pension valuations be introduced, it would be a much short audit.

David Northey (Interim S151 Officer) added:

- j) He stressed that at this stage the interpretation of the legal advice had been an interpretation of legal advice;
- k) He had a further meeting with DELUHC that week;
- l) The transaction was the right thing to have done for the taxpayers of Plymouth as there had been a net gain.

In response to questions it was further explained:

- m) If the backstop was used there would be no shortfall of assurance or audit work and it would mean that instead of auditing the closing balances of 2021/22, additional audit work would be carried out on the opening balances for 2022/23, with the benefit of entering into a more current year, but couldn't confirm the approach without confirmation from Government;
- n) If the approach was agreed by Government, the backstop would be used and the plan would be to get back to the expected timeline for approving accounts;
- o) Sorting of the pension transaction from 2019/20 had taken a substantial amount of time and a considerable amount of accounting and legal advice had been given, but it did seem to be coming to a conclusion to allow the Council to set a legal budget for 2024/25;
- p) Paul Dossett felt that DELUHC, in order to resolve the issue of the 2019/20 transaction, the Council would need to dispose of assets in order to cover off the position in a capitalised directive, or alternatively DELUHC may determine that the original investment could stand as a capital item;

- q) The actuary carried out a triennial review of the pension fund;
- r) The transaction had enabled the Council to eliminate its pension deficit at the time, and so there would not be liabilities in relation to deficits and that particular transaction in the future, and Paul did not see the transaction having a negative effect in the future, the disagreement had just been that it was not the correct accounting at the time;
- s) David Northey would provide further updates in the future to the Committee;
- t) A governance review had taken place, following recommendations from Grant Thornton relating to the transaction, and progress against the recommendations had been reported on;
- u) The transaction was, and had been since the beginning, financed, the disagreement was about how it had been financed and whether that should have been in one year, or over a period of years;
- v) The council had made revenue savings of £1.47 million as a result of the transaction being discussed;
- w) DELUHC did schedule meetings relatively quickly on request, which was positive considering the financial difficulties of Council's across the country, and if the situation changed, David Northey would inform the Committee.

## 25. **Internal Audit Progress Report**

Louise Clapton (Senior Auditor) introduced the report and highlighted:

- a) It was the first report presented to the Committee on the work that had been undertaken by the internal audit team on the 2023/24 internal audit plan, which had been agreed by the Committee in March 2023;
- b) Good progress had been made with work in progress on 57% of the plan agreed in March 2023;
- c) The team would look at the plan, and in negotiation with directors and heads of service, would continue to assess the risk to the authority and would ensure that the audit plan remained relevant and that resources were being used on what was most important;
- d) Of the work that had been completed to date 87% of the reports were of a reasonable or substantial assurance;
- e) The work that had been undertaken had covered a significant amount of financial grants that required independent scrutiny and sign off;
- f) Reports for 2022/23 had been finalised with managers and the related recommendations and actions had been agreed;

- g) Core assurance risks relating to key financial systems work would start in September, but work had commenced on theme risks;
- h) The March 2023 plan included work to be undertaken in relation to the Care Act and other social care reforms, and in agreement with heads of service, it had been deferred to the following year because the work the Government were going to undertake had been delayed, and so the associated work would not be relevant until 2024/25;
- i) Safety at sports grounds had been removed from the audit plan, to be replaced by work done by the Events Safety Advisory Group.

The Committee agreed to note the report.

26. **Audit Actions Review**

Carolyn Haynes (Head of Finance) introduced the report and highlighted the following points:

- a) The possibility of combining the Audit Actions Review report with the tracking in the Internal Audit report was being explored as the information relating to the actions would be contained within the Internal Audit report.

David Northey (Interim S151 Officer) added:

- b) More detail was needed where action had not been taken;
- c) The report would be presented differently in the future to better demonstrate the overall picture.

In response to questions, it was explained:

- d) The outstanding recommendations relating to payroll were historic and related to the governance with the DELT payroll team and required an update to the service framework agreement to ensure it contained all the relevant information to make clear the roles and responsibilities of DELT's payroll team and Plymouth City Council's HR Team, an action that was being discussed with senior officers with progress being made.

The Committee agreed to note the report.

27. **Assessment of the Impact of Voter ID on Plymouth residents and elections team**

Giles Perritt (Assistant Chief Executive) introduced the report and highlighted the following points:

- a) The report was a result of a recommendation from the meeting of City Council in March 2023;
- b) Due to Plymouth's size, analysis had been limited, so information from the Electoral Commission and the All Party Parliament Group had also been included;

- c) Initially 176 people were not able to obtain a ballot paper on request, but subsequently around half then returned with appropriate forms of ID and issued a ballot paper, so 86 people were not able to vote because they weren't able to provide appropriate ID;
- d) Although 86 was less than 0.2% of the electorate, it was still 86 people who were not able to vote as a result of the requirement of ID;
- e) The Electoral Commission had stated that some people who did not normally vote had cited perceived difficulties relating to the requirement of Voter ID as the reason they did not vote;
- f) Some people only voted in general elections, turnouts had always been significantly higher compared to that of local elections, and so it was expected that some people would not be fully aware of Voter ID requirements at a general election in the future;
- g) The report included a summary of the activity the council undertook in terms of advertising the need for Voter ID for the local elections in May 2023, along with a huge effort to raise awareness from local political groups;
- h) A considerable amount of time was spent on training polling station staff to enable them to deal with an issues that arose;
- i) The recommendations within the report had been drawn together from the findings in Plymouth as well as from the reports from the Electoral Commission and the All Party Parliament Group;
- j) Staff training and communications to the public would be continued.

Supported by Glenda Favor-Ankersen (Head of Electoral Services), in response to questions it was further explained:

- k) The second tranche of the Elections Act was to include a requirement for Voter ID if you wanted to vote via post;
- l) Offering those who were not able to vote as they had no ID would be hard as it could lead to confusion or further frustration, as they would still not be able to vote in the election they had attended a polling station to vote in, but it could be done;
- m) The elections team were very grateful to the politicians, canvassers and stakeholders who had worked with them to raise awareness around the requirement for Voter ID;
- n) Posters were placed at polling stations in the lead up to the election, and on election day, relating to Voter ID requirements, as well as information going out with Council Tax bills, three emails going out to those who had an email address registered with the elections team (67% of the electorate) as well locally paid for radio station adverts;
- o) No tender ballot papers had been issued at the last election;
- p) The rejection rate of postal votes was very low in comparison to the rest of the country at 1-1.2%, and most rejections were due to people either leaving the date of birth blank, or

putting the date they completed in the box, rather than their date of birth;

- q) Declarations were going to be brought in for 2024 for anyone delivering a postal vote to a polling station on election day, as well as a limit of how many could be handed in;
- r) Face to face training was done with polling clerks and presiding officers to ensure they were all following the same instructions, and this training included scenarios relating to Voter ID requirements;
- s) If a facial likeness was questioned, there were three levels of people it would go through for a decision;
- t) The Government were expected to release statistics on the number of people who were refused a ballot paper as their Voter ID did not have a photo with a likeness;
- u) A report on the statistics showing the number of people refused a ballot because they had no ID, compared to those who were refused a ballot paper because they brought an invalid type of photo ID would be provided to the Committee.

The Committee agreed to:

1. Note the briefing and reports at Appendix B (All Party Parliamentary Group on Democracy and the Constitution: 'Voter ID - What went wrong and how to fix it') and Appendix C (Electoral Commission report on the May 2023 local elections in England);
2. Endorse the findings and recommendations of the Electoral Commission and the All Party Parliamentary Group (APPG):
  - Recognise that the current system of Voter ID has the potential to reduce the number of eligible voters who are able to vote at the next General Election;
  - Review the current list to broaden the range of accepted ID documents and identify any additional documents that could be included;
  - Focus on forms of ID that would support people who are least likely to have documents on the current list, including ethnic minority communities, disabled people and those who are unemployed;
  - Ensure that changes to the list of accepted forms of ID should be confirmed in legislation in time for details to be included in public awareness materials and activities, and in guidance for polling station staff ahead of polling day;
  - Ensure appropriate training for polling station officers to maximise the opportunity for those that are eligible to exercise their vote;
3. Postal vote information being offered to anyone who attended a polling station, who was not able to vote due to not having a valid form of Voter ID.

*The meeting was adjourned for 10 minutes for a short break at the end of this item.*

## 28. **Polling Districts, Place and Stations Review 2023**

Giles Perritt (Assistant Chief Executive) introduced the report and highlighted:

- a) Polling station provision was review internally after each election, so changes were not expected to be that significant, but this review was a statutory requirement;
- b) A further review would be required following the conclusion of the Electoral Review;
- c) There were no scheduled elections in 2025.

In response to questions it was explained:

- d) A specific session with the Committee on this subject, closer to the time would be welcomed;
- e) The last electoral review in Plymouth had been 22 years previous;
- f) The boundary review would be considered during the polling station review;
- g) Southampton had recently had an electoral review and was similar in size to Plymouth and so would be looked to inform Plymouth's;
- h) The existing arrangements would be used as a foundation for the new arrangements.

The Committee agreed to:

- I. Note and support the start of the 2023 Polling District, Places and Polling Station Review in October 2023 which would enable Plymouth City Council to fulfil its statutory requirement and for the review to be administered alongside the Local Government Boundary Commission electoral review that would also start in October 2023.

29. **Tracking Decisions**

The Committee agreed to note the tracking decisions document.

30. **Work Programme**

The Committee agreed to note the work programme.

31. **Exempt Business**

The Committee agreed to pass a resolution under Section 100A(4) of the Local Government Act 1972 to exclude the press and the public from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information, as defined in paragraph 3 of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

32. **Information Governance and Cyber Response Planning**

The Committee agreed to note the report.

*Please note there is a confidential part to this minute.*

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