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Meeting	Audit and Governance Committee
Date	28 February 2024
Present	Councillors J Burton (Vice-Chair), Hollyer (Chair), Fisher, Mason, Melly, Rose and Whitcroft Mr Leigh (Independent Member)
Apologies	Mr Binney (Independent Member)
Officers in Attendance	Bryn Roberts, Director of Governance and Monitoring Officer Mark Kirkham, Partner, Mazars Debbie Mitchell, Chief Finance Officer Helen Malam, Principal Accountant Lorraine Lunt, Information Governance and Feedback Manager/DPO Max Thomas, Head of Internal Audit, Veritau Connor Munro, Assistant Director of Audit Assurance, Veritau

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#### **47. Declarations of Interest (5:31 pm)**

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda. None were declared.

#### **48. Exclusion of Press and Public (5:32 pm)**

Resolved: That the press and public be excluded from the meeting during consideration of Annexes 3 to 10 to Agenda Item 12 (Audit & Counter Fraud Progress Report) on the grounds that they contain information relating to the financial or business affairs of any particular person. This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

**49. Minutes & Action Log (5:33 pm)**

Resolved: That the minutes of the meeting held on 31 January 2024 be approved and then signed by the Chair as a correct record.

During the meeting various points were raised regarding the action log and it was agreed that each action would include a deadline and that any outstanding actions for committee members to complete would be emailed to them.

**50. Public Participation (5:33 pm)**

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Andy Mendus spoke on Agenda Item 6, Update on Action Plan – No Purchase Order No Pay. He thanked officers for the work on the report and he made reference to a structural problem he had observed within the council. He noted that he had seen very little signs of any officer focus on seeking process improvements and he questioned if the council had any mechanisms in place to develop and streamline council procedures. He acknowledged the committee's responsibilities, and urged the committee to consider the agenda and webcast from the 28 September 2016 Audit and Governance Committee meeting.

**51. Consultation Update (5:38 pm)**

Members considered a report that provided details of a consultation issued by the Department for Levelling Up, Housing & Communities (DLUHC) in respect of local audit delays.

The Chief Finance Officer provided a brief overview noting that the consultation was in response to the growing backlog in the publication of audited accounts of councils across England. It was acknowledged that City of York Council did not have a backlog of unaudited accounts, with just 2022/23 to finalise following communication from the North Yorkshire Pension Fund auditor.

During discussion, the Partner from Mazars noted that due to the audit rotation rules, he would be handing over the

engagement lead role to a colleague. The committee thanked him for his work and commitment over the years.

Resolved: That the report be noted.

Reason: So that the committee was kept up to date with national issues in local audit.

**52. Update On Action Plan - No Purchase Order No Pay (5:50 pm)**

Members considered a report that provided an update on the ongoing review of No Purchase Order No Pay processes.

The Principal Accountant provided an overview noting the progress being made against all the agreed actions, as at Annex A to the report. She also acknowledged that the need for training new and existing users was evident. A new training course would be drafted and would be a mandatory requirement for all new users of the purchasing module, and for existing users, a refresher training module would be prepared for the council's online training system. The new training would commence in the summer and communications would also be issued to the council's suppliers to reiterate the council's policy around no purchase order no pay.

Members thanked officers for the report, and during discussion of the item commented on the action plan, the exemption list, the metrics and the timelines. The difficulties in implementing the changes to fix the fundamental issues to ensure full adherence to raising purchase orders was also discussed and officers confirmed that they were working with directorates to understand if further exemptions were required to the policy.

Members appreciated the scale of the review and questioned if the communications to all suppliers could be issued earlier in the process, including further discussions with senior officers, particularly those responsible for directorates that were failing in this area.

The Chief Finance Officer thanked members for their comments and acknowledged that staff resource to support this review was limited and that the action plan required time to be embedded across the authority. In the meantime, officers would liaise with

the Council Management Team to consider the barriers and ways to improve the system.

Resolved:

- (i) That the progress made to date be noted.
- (ii) That communication to all suppliers be issued as soon as possible.
- (iii) That officers liaise with the Council Management Team and Executive Member for Finance to consider the barriers and ways to improve.
- (iv) That the Chair and Principal Accountant consider when an appropriate time would be for the committee to receive an updated report.

Reason: To gain assurance that the council was taking proper action to respond to the agreed audit actions and improvements to purchasing processes are being made where necessary.

### **53. Corporate Governance Performance Report (6:18 pm)**

Members considered a report that updated them on the:

- responses and updates to queries and questions from the Audit and Governance Committee meeting in November 2023.
- Corporate Governance Team (CGT) performance indicators.
- Information Commissioners Office (ICO).
- Ombudsmen including
  - Local Government and Social Care Ombudsman (LGSCO) and Housing Ombudsman Service (HOS) cases from the previous report in November 2023 to date of preparing the report on 13 February 2024.
- LGSCO and HOS complaints handling codes.

The Information Governance and Feedback Manager/Data Protection Officer (DPO) presented her report and she made reference to various sections, where she acknowledged that:

- the template used to present the key data was undergoing a review to meet legislative requirements, as well as the additional ICO guidance, and once completed, the performance data report would show the full year statistics and comparison data.

- there had been an improvement in the number of freedom of information and environmental impact reports (FOI/EIR) and data protection subject access to records requests being responded to within the statutory timescales, and work was continuing across the council to sustain this improvement.
- there had been six Local Government Social Care Ombudsman decisions since the last report to this committee. The decisions, including recommendations, remedies and actions, as shown in Annex 2 of the report, had now all been completed.
- The number of complaints received through the adult and social care legislation had risen this quarter but despite this increase there had been improvements made on the number of complaints responded to in time.
- The report highlighted the LGSCO Complaint Handling Code, which was launched in February 2024 and officers would continue to ensure the council adopted the code into its complaints handling policies and procedures.

The Information Governance and Feedback Manager/DPO answered questions raised regarding the FOI statutory timeframes, the performance indicators, the stretch targets, and the ICO enforcement notice, and it was noted that:

- The goal was to meet the ICO's challenging stretch target of 95% but realistically the most achievable target was around 75% to 85%.
- An explanation would be provided to members regarding the discrepancy in the figures listed for the total % of FOI/EIR requests answered within statutory timescales, as noted in Annex 1 of the report. However, this was likely to be linked to the time the reports were produced.
- The council had fully complied with the requirements set out in the enforcement notice. However, whilst the ICO group manager had acknowledged that the council had complied fully with the requirements, they would not update the details on their website until the end of the 6-month period (13 March 2024). Following this, a detailed report on the progress of the improvement plan would be provided to the committee in the next quarterly update.
- The reports being built into the new case management system would be designed from ICO guidance and officers would also consider other additional data sets.
- The number of corporate complaints received had declined due to the Corporate Governance Team liaising

with departments who received repeated complaints to identify quicker resolutions. That work was starting to embed and analysis would be undertaken to fully understand the improvements it had made.

Members welcomed the significant improvements made and they thanked the Information Governance and Feedback Manager/DPO for her update.

Resolved: That the details contained in the report be noted.

Reason: So that members were provided with details and current performance from the Corporate Governance Team.

**54. Early Intervention and Prevention of Roughsleeping - Contract Review (6:45 pm)**

The Director of Governance and Monitoring Officer recommended that this item be withdrawn and an updated report be considered at a future meeting on the basis that it contained material inaccuracies and the process that the report was generated was not in accordance with what was agreed with the former supplier.

The Director acknowledged that the Chief Finance Officer had not had sight of the report and he explained the process that would be undertaken to ensure the revised report would meet all requirements. Following debate, members raised concerns regarding the content of the report and the process it had followed and they

Resolved:

- (i) That the report be withdrawn and deferred to a specific meeting of Audit and Governance Committee.
- (ii) That Members raise any specific matters within the report to the Director of Governance and Monitoring Officer

Reason: To allow officers to address the inaccuracies and ensure all report writing protocols were followed.

**55. Update on the Review of the Constitution (7:01 pm)**

The Director of Governance and Monitoring Officer provided a verbal update on the review of the Constitution. He informed the committee that the Constitution Working Group had met three times and were currently considering the council procedure rules.

Following discussion, particularly around the timelines, the most appropriate way to circulate the modifications and outstanding points and what impact the York and North Yorkshire Combined Authority's Constitution would have, it was

Resolved:

- (i) That the update be noted.
- (ii) That the most appropriate way to circulate the constitutional modifications and outstanding points be considered by the Constitution Working Group.
- (iii) That an additional Audit and Governance Committee meeting be arranged to consider spreading the current workload and to include the Constitution review.

Reason: To keep the committee updated on the review.

An adjournment took place between 7:17 pm and 7:24 pm

**56. Internal Audit Work Programme Consultation 2024/25 (7:24 pm)**

The committee considered a report that outlined arrangements for developing the internal audit work programme and requested their views on any areas that should be considered for audit in 2024/25.

The Assistant Director of Audit Assurance provided an overview making particular reference to the consultation report included at Annex 1 to the report which contained information on Veritau's approach to developing the work programme, and background on their internal audit opinion framework. It was noted that consultation with senior council officers on proposed 2024/25 internal audit work would be undertaken over the next two months and a draft internal audit work programme would then be brought to this committee for its approval.

During discussion and in answer to questions raised, members suggested some key areas to focus on which included the decision-making process, report writing protocols, equalities impact assessment (EIA) reports, social care as an entity, procurement contract management, financial governance including the capital programme.

Resolved: That the Audit & Governance Committee's views on areas that should be considered a priority for inclusion in the 2024/25 internal audit work programme, be noted.

Reason: Internal audit professional standards require that the views of this committee are considered when developing the internal audit work programme.

#### **57. Audit And Governance Work Plan 2024 (7:37 pm)**

The committee considered their work plan for the 2024/25 municipal year, and following discussion it was:

Resolved:

- (i) That the Chair, Vice-Chair and Director of Governance be delegated to consider the timeframes required to produce the revised Early Intervention and Prevention of Roughsleeping - Contract Review report and suggest a suitable meeting date.
- (ii) That the Local Government Association (LGA) peer review recommendations be removed from the 22 May 2024 Audit and Governance Committee (A&G) meeting as it would be considered by Executive initially, with any potential implications being referred to A&G at a later date.
- (iii) That an additional Audit and Governance Committee meeting be arranged to take place in June to consider spreading the current workload and to include the Constitution review.

Reason: To ensure the committee maintained a programme of work for 2024/25.



## **58. Audit & Counter Fraud Progress Report (7:49 pm)**

Members considered a report that provided an update on the delivery of the internal audit work programme for 2023/24 and on counter fraud activity undertaken so far in the year.

The Head of Internal Audit provided a brief overview noting that eight internal audit reports had been finalised and a summary of key issues from those audits were provided in Annex 1 at Appendix B of the report. It was also noted that:

- Annex 1, of the report, provided an update on progress made against the 2023/24 internal audit work programme and included audits that were currently in draft, in progress, finalised or to do.
- Annex 2, of the report, provided the counter fraud progress report.

The press and public were then excluded from the meeting during consideration of Annexes 3 to 10 of the report, where the Head of Internal Audit and Assistant Director of Audit Assurance answered members questions.

Resolved: That the progress made in delivering the 2023/24 internal audit work programme, and current counter fraud activity, be noted.

Reason: To enable members to consider the implications of internal audit and fraud findings.

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 8.32 pm].

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