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Meeting	Audit and Governance Committee
Date	2 February 2022
Present	Councillors Pavlovic (Chair), Fisher (Vice-Chair), Carr, Lomas, Mason, Wann and Webb

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## **Part A - Matters Dealt With Under Delegated Powers**

### **65. Declarations of Interest**

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.

Cllr Fisher mentioned that he was involved in a Council standards case as the Joint Standards Committee remit was included in the review of the Constitution.

### **66. Public Participation**

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

Andy Mendus speaking on the Constitution asked that the Committee commit to have two independent members on the Audit and Governance Committee. He also asked Independent members be allowed to serve two consecutive four year terms. He enquired as to why Veritau were embedded in the proposed Constitution. He also asked whether the Audit and Governance Committee, on behalf of the Council, should accept the failures highlighted in the Public Interest Report.

### **67. PSAA Review of External Audit Fees**

Officers introduced a report outlining the process for the appointment of an External Auditor. Members noted that Full Council would be asked to accept the Public Sector Audit Appointments' (PSAA) invitation to agree the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023. Enquiries were made about whether this item could

be considered at Budget Council. It was confirmed that there was scope to include the item at Budget Council.

Resolved:

- i. The Committee noted that Full Council would be asked to accept the Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.

Reason: The Local Audit (Appointing Person) Regulations 2015 ('the Regulations') require that a decision to opt in must be made by a meeting of the Council (meeting as a whole). The Council then needs to formally respond to PSAA's invitation in the form specified by PSAA.

#### **68. Mazars Audit Completion Report**

The Committee considered the report and discussed several areas such as council tax collection and the Public Interest Report (PIR). It was confirmed that the Council had received additional funding to cover for council tax losses, also that the council's response to the PIR would be included in next year's Audit Completion report. Enquiries were made about findings related to disaster recovery processes. The auditors noted that they were confident that sufficient controls were in place. However, insufficient evidence was in place to prove this and Officers confirmed that work would be undertaken to evidence these processes so they could be properly tested in future. Discussion also took place around the findings related to Allerton Park and Members allowances. It was confirmed that final stages of the audit completion report would be completed once the final statement of accounts were signed off.

Resolved:

- i. Noted the matters set out in the Audit Completion Report presented by the external auditor.

Reason To ensure the proper consideration of the opinion and

conclusions of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money.

**69. Final Statement of Accounts incl. Annual Governance Statement**

Officers introduced the Final Statement of Accounts and the Annual Governance Statement. Members were informed that the Annual Governance Statement was a living document and therefore information may have changed since the publication of the agenda.

The Committee enquired about the risks associated with the Local Plan as highlighted in the Annual Governance Statement. It was confirmed that the Council had senior management oversight, as well as the Local Plan Working Group to ensure a level of control over the progression of the plan. The council, however could not fully control the process due to the requirement for approval by the Planning Inspectorate and Central Government. It was therefore considered a concern for the Council until an approved Local Plan was in place.

Members noted that the formatting of reports could be made more accessible with changes to the font size of text. It was confirmed that future reports would use the standard size 14 font to ensure the accounts were accessible to all

Resolved:

- i. Noted the matters set out in the Audit Completion Report presented by the external auditor in agenda item 4 Mazars Audit Completion Report and summarised in this report.

Reason: To ensure the proper consideration of the opinion and conclusions of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money.

- ii. Approved the amended Annual Financial Report at Annex A for signature by the chair from a resolution of this Committee in accordance with the Accounts and Audit Regulations 2015.

Reason: To ensure compliance with the International Auditing Standards and other relevant legislative requirements.

#### **70. Annual Monitoring Officer's Statement**

It was confirmed that this annual statement was a living document and would be updated throughout the year. The statement was to be considered alongside the Statement of Accounts. Members discussed the report and questions were asked regarding the restructure to the People's Directorate. Officers noted that the restructure would be included in the statement and would also feature in 2022/2023 accounts statement.

Resolved:

- i. Noted the Annual Report of the Monitoring Officer.

Reason: To keep the Committee updated on the work of the Monitoring Officer.

#### **71. Progress against the Action Plan**

The Committee considered the report and noted that the major areas of action were the Council's Code of Conduct and the revised Constitution. Members enquired about the work that had been undertaken by the Local Government Association in conjunction with the council. It was confirmed that a report on the work undertaken would be considered at a meeting of the Committee in June or July 2022.

Resolved:

- i. Noted the progress against the Action Plan prepared in response to the Report in the Public Interest dated 19 April 2021.

Reasons: The Audit & Governance Committee is required by Full Council to monitor the delivery of the Action Plan prepared in response to the Public Interest Report.

## **72. Audit and Governance Work Plan**

The Committee considered the 2021-22 work plan and to remove the Review of the Constitution which was scheduled for the Committees meeting on the 9 March 2022 due to referring the Constitution to Council at this meeting.

Resolved:

- i. That the Review of the Constitution be removed from the Committees work plan on 9 March 2022.

Reason: So that the committee has a planned programme of work in place.

## **Part B - Matters Referred to Council**

### **73. Review of the Constitution**

Officers introduced the report and noted that the Joint Standards Committee had discussed the Model Code of Conduct which would be included in the Constitution in January. It was confirmed that a few amendments had been requested and Hoey Anscough were working on these amendments to the Model Code of Conduct. Officers confirmed that consultation would take place with Trade Unions on a review of the Officer Code of Conduct. It was confirmed that the Joint Standards Committee had requested to amend their position to allow for substitutes to attend the meeting, if the named Committee Members could not attend.

The Committee discussed several areas requiring further amendments prior to being considered by Full Council. It was confirmed that the introduction to the Constitution would be completed with input from the Chair and Vice Chair of the Committee. It was also confirmed that amendments would be made to reflect the changes to the People's Directorate Structure.

Members discussed the role of Independent Members on the Audit and Governance Committee. They noted that it had been a challenge for the Council to recruit an Independent Member, but nevertheless felt that it would be appropriate and beneficial to the Committee to seek two Independent Members to support the Audit and Governance Committee. Term lengths for Independent Members were also discussed. It was suggested

that two consecutive four year terms be offered to Independent Members. It was felt that by offering two terms, the role would be seen as more appealing and could assist individuals in gaining the relevant knowledge on the Committee, therefore being able to provide greater support.

The inclusion of Veritau in the Constitution was raised by Members who enquired whether this would fix the Council to the auditor in the future. Officers confirmed that the Council was required to name its internal auditor in the Constitution. If the Council ended its relationship with Veritau an amendment to the Constitution would be required to identify the Council's new internal auditor.

Planning committees were discussed and it was confirmed that Main Planning and Area Planning Sub Committee would be renamed to Planning Committee A and Planning Committee B. Members debated whether it was appropriate for Executive Members to be able to sit on planning committees, especially in applications where the Council was the applicant. It was confirmed that there was no legal prevention for Executive Members to consider applications as a Member of a planning committee even if this was a Council application. It was confirmed that Full Council were going to be asked to vote on whether Executive Members should or should not be eligible to sit on planning committees.

Further discussions took place which related to Executive Members on planning committees and the guidance provided for declarations of interest. The importance of clear guidance was highlighted with reference to issues raised in relation to the Public Interest Report (PIR) the Council had received. It was noted that in the Localism Act that Councillors should consider the guidance on declarations of interest and determine for themselves, if they had an interest which meant they could not make a decision on an item of business.

Discussion took place as to whether the Committee should recommend to Full Council, that if Executive Members were permitted to sit on planning committees that they should not participate in the meeting if they had voted on an item in another meeting which was connected to the planning application.

The Committee voted 3 in favour, 3 against, and 1 abstention, with the Chair casting the deciding vote in favour of a proposal to recommend to Council that:

‘Should Council agree that Executive Member would continue to be eligible to sit on planning committees, that on any council application that goes before Planning Committee A, Executive Members would be unable to participate in that item.’

Recommended: That Council consider the revised Constitution at their meeting on 24 March 2022, for adoption with the following amendments:

- a) That Audit and Governance Committee have room available for two Independent Members of the Committee and not one;
- b) That Independent Members on Audit and Governance Committee be able to hold two four year terms;
- c) That should Council agree that Executive Members would continue to be eligible to sit on planning committees, that on any council application that goes before Planning Committee A, Executive Members would be unable to participate in that item.

Reason: It is noted that the review of the Constitution also contributes significantly towards the progress against the Action Plan prepared in response to the Report in the Public Interest accepted by Full Council on 4th May 2021.

Cllr M Pavlovic, Chair

[The meeting started at 5.32 pm and finished at 7.50 pm].