
Meeting	Audit and Governance Committee
Date	22 May 2024
Present	Councillors J Burton (Vice-Chair) (from 5:36 pm), Hollyer (Chair), Fisher, Mason (from 5:32 pm), Melly, Rose and Whitcroft Mr Binney (Independent Member), Mr Leigh (Independent Member)
Apologies	None
Officers in Attendance	Bryn Roberts, Director of Governance and Monitoring Officer Lorraine Lunt, Information Governance and Feedback Manager/DPO Max Thomas, Head of Internal Audit, Veritau Connor Munro, Assistant Director of Audit Assurance, Veritau Mark Outterside, Partner, Mazars

62. Declarations Of Interest (5:30 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.

63. Minutes & Action Log (5:30 pm)

Resolved: That the minutes of the meetings held on 28 February 2024 and 20 March 2024 be approved and then signed by the Chair as a correct record subject to the following amendments to the 20 March 2024 minutes:

- To remove Cllr Whitcroft as being present, add him to the apologies and include Cllr Kelly as present who substituted for Cllr Whitcroft.
- To include the words 'cross-party' in front of Constitution Working Group in the third and fourth paragraph of minute number 61.
- Remove the word 'further' from paragraph 2 of minute number 61.

It was also noted that:

- Mr Leigh, Independent Member, had raised some governance concerns regarding the 20 March 2024 Audit and Governance Committee meeting which he had circulated to Committee Members and the Director of Governance and Monitoring Officer. It was anticipated that the issues raised would be referred to in a report to the next committee from the Director of Governance.
- Webcasting videos were made available to view on-demand for a period of 6 years following the meeting after which time they would be permanently deleted from the council's YouTube channel, therefore, the Audit and Governance Committee webcast from 28 September 2016, as noted in the 28 February 2024 minutes, was no longer available to view.

Regarding the Action Log, it was noted that:

- Action 40 could now be closed as the York and North Yorkshire Combined Authority had adopted their Constitution.
- An appropriate time for the committee to receive an update on the no purchase order no pay action plan would be sought from officers (Action 51).

64. Public Participation (5:35 pm)

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

65. Corporate Governance Performance Report (6:12 pm)

Members considered a report that updated them on the:

- Corporate Governance performance report;
- Information Commissioners Office cases;
- Ombudsmen cases;
- Potential new and emerging data protection and digital information legislation.

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

- There had been a continuous and sustained improvement in both freedom of information and environmental impact reports (FOI/EIR) and subject access requests responded to within the statutory timescale for each quarter

throughout the full year reporting period of March 2023 to April 2024.

- Quarter 4 had seen an increase in the number of complaints received and dealt with under the children's social care services legislation and a decrease in the number of complaints received and dealt with under the adults' regulations. The numbers of complaints received were influenced by factors such as increased demand on council services and the restrictions the current budget and financial circumstances were placing on these services.
- There had been no published decision notice about the council's handling and responding to FOI/EIRs by the Information Commissioners Office (ICO) since the last report to this committee. There had also been no other ICO regulatory action against the council.
- All fourteen Local Government and Social Care Ombudsman cases had all been actioned and remedied within the timescale set by the Ombudsman, as reported in Annex 2 of the report.
- The data protection and digital information bill was expected to be passed in May 2024 and come into force shortly afterwards.

During discussion, the Information Governance and Feedback Manager/DPO answered questions raised regarding Annex 1 and 2 of the report, and it was noted that:

- The Ombudsman would not issue remedy satisfaction until the council had provided evidence that the actions had been completed and continued to make a difference.
- The number of corporate complaints received did fluctuate over the year due to seasonal trends such as the green waste collection service ending, which tended to reduce the complaints received in quarter 3.
- The annual corporate governance report, due to be considered by the Corporate Services, Climate Change and Scrutiny Management Committee and then by this committee later in the year, would include comprehensive complaints analyse from across all council services.
- Due to the nature and complexity of some children social care investigations and the volume received, Independent Person and Independent Investigating Officer services were available to Local Authorities to undertake statutory complaint investigations and reviews, and they had

assessed some of the complaints received on behalf of the council.

- As part of the lessons learnt and action planning from complaints, service areas would consider their processes, policies, guidance and strategies to incorporate change to reduce recurring complaints.

The Information Governance and Feedback Manager/DPO was thanked for her report and for the positive results achieved, and Members welcomed fuller analysis later in the year.

Resolved: That the report be noted.

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

66. Counter Fraud Framework Report (5:52 pm)

Members considered a report that presented the outcomes of the annual review of the council's counter fraud framework.

The Head of Internal Audit and the Assistant Director of Audit Assurance provided an update and noted that Annex 1 to the report set out key national developments and provided an indication of the local trends in terms of counter fraud. Officers reported that although the number of referrals had increased by 20% compared to the previous year, they estimated that no changes were required at this stage.

It was also noted that the annex included the counter fraud development plan at Appendix A, which set out actions that would be worked on this year, and the results of the fraud risk assessment at Appendix B, which supported officers in prioritising their programme of work.

Members noted that the greatest fraud risks were within Adult Social Care, Creditor Fraud and Cybercrime and the residual risks within these areas were difficult to fully mitigate with the limited resources available and would remain as a high risk.

During discussion and in answer to questions raised it was noted that:

- The council would continue to undertake every feasible measure to reduce the risks.
- The level of recovery and prevention for the council would be reported within Veritau's annual report to this committee.
- To raise the profile of fraud and the risks around it, training for all staff was available through the eLearning function but generally training was targeted more to teams that were most likely to encounter risks of fraud. Officers agreed to email Members further details on the courses that were being delivered.
- Whilst the levels of polygamous fraud was low, it was important to raise awareness of the emerging threat.
- The new compliance system was still at a conceptual point and the new process would allow Veritau to tighten resources on the higher value cases. Once the process was better developed, an update would be provided to Members.

Officers were thanked for their update.

Resolved: That the Counter Fraud and Corruption Development Plan and updated Fraud Risk Assessment at appendices A and B of Annex 1 to the report be noted.

Reason: In accordance with the committee's responsibility for assessing the effectiveness of the Council's counter fraud arrangements.

67. Internal Audit and Counter Fraud Work Programmes 2024/25 (5:42 pm)

Members considered a report that sought their approval for the indicative programme of internal audit work to be undertaken in 2024/25. It also included the proposed programme of counter fraud work, which was provided for the committee's information at Annex 2 to the report.

The Head of Internal Audit and the Assistant Director of Audit Assurance provided an update, noting that the

- report represented the conclusion of initial consultation on the development of the 2024/25 internal audit work programme. Views of councillors and officers had been considered in the programme's initial development and

this would continue to be the case as the programme was updated and adjusted throughout 2024/25.

- internal Audit Work Programme for 2024/25 was over programmed to allow officers to respond to changes with already identified audit priorities. That didn't preclude other audits from coming in but allowed officers to move swiftly and in an agile fashion.
- work programme would allow Members to monitor the progress reports as well as observe how the reports moved and were delivered through the system of prioritisation.
- proposed counter fraud work programme would be reactive in nature with investigations being undertaken where fraud was suspected and taking cases through to an appropriate conclusion. Proactive work would also be undertaken to raise awareness of fraud risks across the council, together with ensuring that the public and other agencies know who to report suspected fraud cases to.

During discussion, Members questions were answered regarding the audit work programme and the prioritisation of the activity, which was not indicative by the order it appeared within the programme. It was also noted that operating practices were very flexible and the work programmes would be kept under review and changed if required in consultation with council officers.

Resolved: That the 2024/25 internal audit work programme be approved and that the proposed counter fraud programme be noted.

Reason: In accordance with the committee's responsibility for overseeing the work of internal audit and the counter fraud service.

68. Auditor's Annual Report 2021/22 and 2022/23 (5:38 pm)

Members considered a report that provided the Auditor's Annual Report (AAR) which summarised the work Mazars had undertaken as the auditor for City of York Council for the years ending 31 March 2022 and 2023.

Members were informed that the report was intended to also cover both the 2022/23 audit but due to the delay in receiving assurances from the pension fund auditor, officers were still

working on the audit but expected the commentary within the report to be what they would issue for 2022/23.

In answer to questions raised regarding outstanding recommendations included in the financial statements audit that had carried forward into the next financial year, officers confirmed they continued to monitor and report on outstanding actions until they were completed but could liaise with the Director of Finance regarding the inclusion of a timeline within the 2023/24 audit. Following further discussion, it was also indicated that the Director of Finance could be contacted to discuss the preventions in place to deter recommendations remaining as outstanding year on year.

Resolved: That the update be noted.

Reason: To ensure the committee remained up to date on external audit work.

69. Audit and Governance Work Plan 2024/25 (6:31 pm)

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

- The Salvation Army Early Intervention and Prevention contract report currently scheduled for 9 July was likely to be slipped to 31 July, given the recent announcement of a general election and to ensure it met the correct internal processes and expectations raised with the Salvation Army.
- The Annual Corporate Governance report would be received in either September or November.
- Training sessions would be scheduled for Members throughout the year to aide their scrutiny role and understanding of the Statement of Accounts, treasury management and audits.
- The Constitution review update on 9 July would include the council procedure rules.
- A report of the Director of Governance and Monitoring Officer required scheduling into the work plan and was to include the governance concerns raised by the Independent Person. It was suggested this could potentially be reported on 9 July.

Resolved: That the Director of Governance and Monitoring Officer considered how the announcement of the

general election would impact the work plan whilst ensuring the agenda for the committee meetings scheduled on 9 and 31 July remained substantial.

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

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 6.38 pm].