
Meeting	Audit and Governance Committee
Date	27 November 2024
Present	Councillors Hollyer (Chair), Mason (from 6:20 pm), Merrett, Rose and Myers (Substitute for Cllr Whitcroft) Mr Binney (Independent Member) (until 8:10 pm)
Apologies	Councillors J Burton, Fisher and Whitcroft

38. Apologies for Absence (5:46 pm)

Apologies for absence were received from Cllr J Burton and Cllr Fisher. Cllr Whitcroft also sent apologies and he was substituted by Cllr Myers.

39. Declarations of Interest (5:46 pm)

At this point in the meeting, Members were asked to declare any disclosable pecuniary interests, or other registrable interests, they might have in respect of business on the agenda, if they had not already done so in advance on the Register of Interests. None were declared.

40. Exclusion of Press and Public (5:46 pm)

Members discussed the exemptions around Annexes 4 and 5 and the Monitoring Officer confirmed that both annexes contained information that fell within the necessary grounds, but that Members could discuss as much as was viable in public before moving into private session and it was

Resolved: That the press and public be excluded from the meeting during consideration of Annexes 3 to 11 to Agenda Item 14 (Audit and Counter Fraud Progress Report) on the grounds that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information). 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).

41. Minutes & Action Log (5:54 pm)

Resolved: That the minutes of the meeting held on 14 October 2024 be approved and then signed by the Chair as a correct record and that the action log be noted.

42. Public Participation (5:54 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 8, Purchasing Compliance and No Purchase Order No Pay Update. He noted that the action plan presented was extensive and he felt the letter to suppliers should simply refuse any instruction from the council without a purchase order and an agreed quantity and price. He questioned why business support were still raising the orders and then he spoke on Agenda Item 14, Audit and Counter Fraud Progress Report. He shared his frustrations with some implemented procedures relating to Section 106 agreements.

43. Polling District and Polling Places Review (5:58 pm)

Members considered a report that highlighted the Polling Districts and Polling Places review process, including details of the consultation process and timeline.

The Head of Democratic Governance and the Electoral Services Manager presented the report. They referred to Annex B and confirmed they would send the full consultation documents to all Ward Councillors and to the other consultees noted in the report. The outcome of the consultation would then be brought back to this committee prior to it going to Full Council for approval.

The Monitoring Officer reiterated the importance of receiving feedback from Ward Councillors and he formally welcomed the new Electoral Services Manager.

In answer to questions raised, officers confirmed they would ensure a robust social media and press campaign to engage as

many electors as possible in the consultation and they would like to implement the changes from April 2025.

Members raised some observations, which included:

- Welcoming the switch to using C and O for central and outer.
- Heworth ward was not listed alphabetically.
- Some of the constituency boundary changes for Fulford and Heslington seemed excessive.
- Concerns with merging Huntington (YGB) and New Earswick (YGD) as this would increase the polling district by 50%.
- Consider merging OHG with OHF.
- Supporting the merger of OJE and OJF.
- The venue for polling district BC required moving back to the community hall.
- Removing one of the polling district codes if merging YKE and YKF.

The timelines were discussed, and the Monitoring Officer suggested moving the Audit and Governance Committee scheduled to take place on 26 March 2025 to support an extended consultation period and ratification at Full Council on 27 March 2025.

Members agreed to participate in the consultation and officers were thanked for their update. The Head of Democratic Governance confirmed the start time could be delayed by a week and the consultation could be extended throughout January.

Resolved: That the commencement of the polling district and polling place review and the associated consultation process be noted and that the review timeline be extended.

Reason: To comply with statutory requirements.

44. Process for the Appointment of an Independent Member of the Audit and Governance Committee (6:12 pm)

Members considered a report that sought the committee's views and comments on the proposed recruitment process for an Independent Member of the committee.

The Head of Democratic Governance presented the report and explained the recruitment process. She referenced the draft recruitment pack which was attached at Annex A to the report.

During discussion, Members suggested that parts of the essential and desirable requirements within the role specification could be rationalised to ensure the role was as open and appealing as possible.

Officers confirmed the recruitment process would start as soon as possible and the role would be advertised on the council's website and social media pages.

The Head of Democratic Services was thanked for the update and the current Independent Member offered to support the process where appropriate.

Resolved: That the proposed recruitment process be noted.

Reason: To ensure the committee's views were taken into account in planning the recruitment process.

45. Purchasing Compliance and No Purchase Order No Pay Update (6:17 pm)

Members considered a report that provided an update on the ongoing review of No Purchase Order No Pay (NPONP) processes. It detailed the progress made since the last report in February 2024.

The Systems Accountant and Principal Accountant provided an update noting a small correction in the report on page 61 of the agenda pack in that the headings in the first two columns in the table at paragraph 15 had transposed.

Officers confirmed that communication had been issued to all current purchasing suppliers to remind them of their responsibilities, and a copy of the communication was included at Annex B. It was also acknowledged that progress continued to be made in ensuring adherence to the NPONP policy as well as an expansion of the actions to cover purchasing compliance in general and that support from the Corporate Management Team would be invaluable in helping to drive forward the changes in individual departments working practices in the coming months.

In answer to questions raised by the public speaker, the Director of Finance confirmed that suppliers had been issued with instructions on the councils pay policy and she noted the principles behind using Business Support Officers to raise purchase orders.

Members recognised that the changes incorporated so far had reduced the number of retrospective orders across the council and in answer to questions raised, officers confirmed the new training provisions for new purchasing users and existing users would be key to continuing to reduce the percentages and officers would continue to monitor exemptions on a case-by-case basis.

Members supported the mandatory training and welcomed the ongoing work through the action plan, and they thanked officers for the report. It was agreed that a further update be received in six months times.

Resolved: That the progress to date be noted and an update be received at a future meeting.

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

46. Treasury Management Mid-Year Review and Prudential Indicators 2024/25 (6:32 pm)

Members considered a report that provided a mid-year update on treasury management activities for the first half of the year and the latest update of the prudential indicators.

The Director of Finance provided a brief overview and noted that there had been no new borrowing undertaken since the last report and officers continued to monitor inflation and interest rates.

Questions raised regarding the capital expenditure were answered and Members thanked the Director for her update.

Resolved: That the Treasury Management Mid-Year Review and Prudential Indicators attached at Annex 1 to the report be noted.

Reason: That those responsible for scrutiny and governance arrangements were updated on a regular basis to ensure that those implementing policies and executing transactions had properly fulfilled their responsibilities with regard to delegation and reporting.

47. External Audit Plan (Audit Strategy Memorandum) 2023/24 (6:36 pm)

The council's external auditors, Forvis Mazars, were required to communicate their audit plan for the year to Members. The Director and Engagement Manager responsible for York presented the content of the Audit Strategy Memorandum which summarised the audit approach, highlighted significant audit risks and areas of key judgements and provided details of the audit team, as highlighted within Annex A to the report.

The Director did note a typo within section three of the annex in that the completion date should be December 2024 - January 2025.

In answer to questions raised regarding the audit fees, officers confirmed they were set externally by the Public Sector Audit Appointments (PSAA).

Members thanked officers for the update, and it was suggested that future reports could contain a detailed definition of the roles of the audit team.

Resolved: That the report at Annex A be noted.

Reason: To ensure Members were aware of Forvis Mazars plan for undertaking the 2023/24 audit in delivering their responsibilities as external auditors.

48. Report on Suggested Constitutional Changes - Health and Wellbeing Board (6:40 pm)

Members considered a report that provided the proposed constitutional changes to the Health and Wellbeing Board's

Terms of Reference to the committee for consideration and discussion.

The Director of Governance provided an update and confirmed that as part of the ongoing review of the Constitution, a request was received from the Health and Wellbeing Board for a review of its Terms of Reference. A revised draft was considered by the Constitution Working Group on 5 September 2024. The proposed changes were unanimously agreed by the Working Group, and the revised draft was therefore presented to Audit and Governance for its consideration and endorsement to Full Council

In answer to questions raised regarding the function of the Board and the requirement to produce a pharmaceutical needs assessment, the Director confirmed that the Health and Wellbeing Board had also considered the Terms of Reference and had agreed they were appropriate to operate.

It was noted that the current Health and Wellbeing Board membership should include Councillor Mason and not Councillor Ayre as noted in the agenda supplement pack and that this modification would not affect the proposed changes to the Terms of Reference.

Resolved: That the proposed changes to the Health and Wellbeing Board Terms of Reference be endorsed and remitted to the next ordinary meeting of Full Council for approval.

Reason: To allow Council to determine the proposed Constitutional changes.

49. Audit and Governance Committee Work Plan (6:46 pm)

The committee considered their work plan for the 2024/25 municipal year and agreed to move the 26 March 2025 meeting to 17 March 2025.

Members also discussed the workload for the 29 January 2025 meeting, and it was suggested:

- To slip from January to March
 - Corporate Governance Report
 - Polling District and Polling Place Review

- Key Corporate Risks

- To remove the Internal Audit into Contract Management Report as this would be covered as part of the Internal Audit Progress Report.
- For the Director of Governance, Veritau and the Chair to consider when the Audit Committee Self-Assessment and the Annual Report should be reported.
- May 2025
 - To add an update on No Purchase Order No Pay

Resolved: That the work plan be noted and revised, as necessary.

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

50. Audit and Counter Fraud Progress Report (6:52 pm)

The committee considered a report that provided an update on the delivery of the internal audit work programme for 2024/25, and on counter fraud activity undertaken so far in the year.

The Assistant Director of Audit Assurance highlighted Annex 1 to the report which provided an update on progress made in delivering the internal audit work programme. This included a summary of completed work, work currently in progress, and work currently scheduled for the remainder of the year. It also reported on developments in the internal audit profession, and on the outcomes from the follow-up of actions agreed in previous audit reports.

It was noted that since the last update progress had been made in delivering the internal audit work programme in that nine internal audit reports had been finalised and a further four were currently in draft. Officers also referenced the consultation relating to the Public Sector Application Note for the new Global Internal Audit Standards as highlighted on pages 196 and 197 of the agenda pack. Officers expected no significant changes under the new regime, but they would explain in future reports how they had responded and adapted.

The Head of Internal Audit presented the counter fraud progress report which was contained in Annex 2. A range of work was detailed, including activity to promote awareness of fraud, work with external agencies, and information on the level of fraud reported to date. It was noted that 186 referrals of suspected fraud had been submitted and 50 cases had been completed so far.

A detailed discussion took place regarding Section 106 agreements and Veritau confirmed they had no significant concerns over any Section 106 payments. Following further questions relating to EXACOM which was introduced to monitor and report on Section 106 contributions and payments, officers agreed to provide further information on what proportion of total monies was reflected on EXECOM. Veritau also confirmed that they do consult with service departments as part of the audit process and the Director of Finance noted that work was ongoing to improve the process and develop a coherent system. It was recognised that this topic could potentially be referred to scrutiny to investigate further.

Concerns with the health and safety internal audit were also raised and Members requested assurance that the actions were being tracked and implemented. Officers confirmed that they monitored the actions and were developing a comprehensive narrative on any significant findings which would be reported to Audit and Governance Committee.

Following further discussion around the current audit priorities as listed on pages 200 to 203 and the investigative work from page 223 of the agenda pack, the press and public were then excluded from the meeting during consideration of Annexes 3 to 11 of the report, where further questions from members were answered.

[An adjournment took place between 7:34pm and 7:40pm.]

Members thanked officers for the report, and it was:

Resolved:

- (i) That the progress made in delivering the 2024/25 internal audit work programme, and current delivery intentions over the remainder of the year be noted.

- (ii) That the current and planned counter fraud activity be noted.

Reason: To enable members to consider the implications of internal audit and counter fraud findings, and to review planned activity for the remainder of 2024/25.

Cllr Hollyer, Chair

[The meeting started at 5.45 pm and finished at 8.10 pm].