

Meeting	Audit and Governance Committee
Date	19 July 2023
Present	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Melly, Rose Leigh (Independent Member), and Healey (Substitute)
Officers in Attendance	Bryn Roberts – Director Of Governance And Monitoring Officer Debbie Mitchell - Chief Finance Officer Lorraine Lunt - Information Governance & Feedback Team Manager Mark Kirkham – Mazars Mark Outterside – Mazars Max Thomas – Veritau Connor Munro - Veritau
Apologies	Councillors Mason and Whitcroft

---

**1. DECLARATIONS OF INTEREST (17:32)**

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.

**2. PUBLIC PARTICIPATION (17:32)**

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

Andy Mendus asked the Committee to undertake greater monitoring of purchased orders, due to the number that were raised after the invoice had been received. He also enquired as to why the Council no longer published internal audit reports and requested these be published and redacted where required.

Gwen Swinburn raised a number of concerns regarding governance of the Council and enquired as to why the Annual Governance Statement was not included with the Statement of

Accounts. She requested that reports into culture change include officer as well as Councillor conduct and asked when the second independent member of the Committee would be appointed.

Geoff Beacon spoke about his experience and the procedure of feeding into the York Central building development. He noted that due to the lack of affordable homes in the city that York Central should include far more homes in its plans that would be affordable for residents.

### **3. EXCLUSION OF PRESS AND PUBLIC (17:44)**

The Monitoring Officer explained that the Council is permitted to exclude some information relating to its business or financial affairs as set out in the 1972 act. He noted that by having these internal audits exempt it would allow the Committee to scrutinize reports which could be candid regarding any challenges the Council was facing. He confirmed that the Council publishing internal audit reports in the past was not keeping with practices at other local authorities.

The Committee discussed how the Council had published internal audits in the past and how other Council consider these audits, noting that the security of the Council and its information is paramount. The Committee agreed to exclude the press and public for annexes 3 to 7 of agenda item 11 and requested a future update regarding how the Council would determine whether internal audit reports would need to be considered as private information.

Resolved:

- i. That the press and public be excluded from the meeting during the consideration of Annex 3 and 7 to Agenda Item 11 on the grounds that they relate to the financial or business affairs of any particular person (including the authority holding that information). This information is 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).
- ii. That a report be brought to the Committee outlining the Council's process for determining what

information should be kept exempt from the press and public.

Reason: To ensure the Committee can scrutinise internal audit reports.

**4. MINUTES (17:57)**

Resolved: That the minutes of the meeting held on 15 March 2023 be approved and then signed by the Chair as a correct record.

**5. CORPORATE GOVERNANCE REPORT (17:58)**

The Committee received an update from the Council's Corporate Governance Team. The Committee discussed response times to complaints received and Members requested that a further update be provided to the Committee via email, outlining the reason for the rise in Adults and Childrens Social Care complaints shown as "in progress". Response times to freedom of information requests which had passed the 20-day deadline were considered. Members considered whether reporting could include how long after the deadline those that were out of time were when they were responded to.

The Committee noted that they did not believe that they had received a report on Q4 2022/23 data and asked that this be included in the Committees' next Corporate Governance report. Finally, it was also noted that two of the recorded decisions by the ombudsman at annex 3 appeared to be the same, officers confirmed that they would review and share information on any missing decision with the Committee.

Resolved:

- i. That Q4 2022/23 data be included in the Committees' next Corporate Governance Report.
- ii. That Officers provide an update to Committee Members via email into the progress on responding to Adult and Children's Social Care complaints.
- iii. That Officers review the ombudsman decisions and share with the Committee any additional decisions if not included within annex 3 to the report as intended.

- iv. *That the full Key Performance Indicator range be split by directorates and circulated to Committee Members.*

Reason: To ensure the Committee has an oversight of the Council's Corporate Governance.

## **6. STATEMENT OF ACCOUNTS (18:34)**

Officers introduced the draft Statement of Accounts and it was confirmed they were open to public inspection. The Committee discussed the narrative report and main financial statement which provided an outline of the Council's accounts in the financial year 2022/23 up until 31 March 2023.

Members asked about the impact of delays to major projects and how any increased costs would be funded. Officers noted that addressing overspends on projects could be done through seeking additional funding, adjustments to the spending on other projects, or increased borrowing. Members also requested further detail regarding the additional capital spend within the Housing Revenue Account. It was confirmed that a separate briefing note would be shared with the Committee.

Resolved:

- i. The Committee noted the draft pre-audit statement of accounts, for the financial year ended 31 March 2023.

Reason: To ensure that, in line with best practice, Members have had the opportunity to review the draft pre-audit Statement of Accounts.

## **7. TREASURY MANAGEMENT OUTTURN (19:07)**

The Committee considered the report into the Council's treasury management and the review of prudential indicators for 2022/23. Members made a number of enquiries including enquiring why there had been a rise over the last 15 years in the percentage of Council Tax revenue being spent on supporting Council investments, Officers noted that the rise had been due to the Council maintaining a significant capital programme as well as specific projects such as York Central which had specific

borrowing that would be recouped by the Council through revenue streams. Members were also informed that large increases in several metrics from 2022/23 to 2023/24 were due to projects being carried over from the previous year when not completed as anticipated. Officers confirmed that the Council was working to improve its estimations on delivery to reduce the amount of slippage from the previous financial year.

Resolved:

- i. The Committee noted the Treasury Management Annual Report and Review of Prudential Indicators 2022/23.

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

#### **8. MAZARS AUDIT PROGRESS (19:16)**

The Committee noted the work of the Council's external auditors Mazars.

Resolved:

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

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

#### **9. REPORT OF THE MONITORING OFFICER (19:18)**

The Monitoring Officer introduced his report and confirmed there were no major governance issues to report. He also confirmed that he was undertaking, with officers, a substantial review of the Constitution, and that if Members had areas they wished for the Monitoring Officer to look into then they could raise it with

him. He highlighted the Local Government Association recommendation to improve the working relationship between Members and Officers.

The Committee discussed the current Public Participation Protocol in the Council's Constitution, Members considered what amendments to the Council's current procedure might improve participation for the public and Committee Members, including a requirement that comments be submitted in writing to assist Members.

Members enquired about the Annual Governance Statement being included in future years with the draft Statement of Accounts and officers confirmed they would look into this. The Committee also discussed the process that should be followed when a Leader of the Council has left their post following an election but before the meeting of Annual Council to elect a new Council Leader.

The Committee discussed the procedures and standing orders relating to the upcoming meeting of Council and amendment proposals to the Council's budget. The Monitoring Officer confirmed that the Council did not have a current process in the Constitution for how budget amendments should be proposed, but confirmed that this would be reviewed and included in the upcoming Constitutional amendments. The Committee voted three in favour, two against, and one abstention to note that the Committee had a concern regarding the process by which a budget amendment proposal was being presented to Full Council on the 20 July 2023. The Committee requested that Officers draft a procedure for how budget amendment proposals are considered by Council for inclusion to the Constitution, as part of the Constitution review.

Resolved:

- i. The Committee noted that it had a concern regarding the process by which a budget amendment proposal was being presented to Full Council on the 20 July 2023. The Committee requested that Officers drafted a procedure for how budget amendment proposals are considered by Council for inclusion to the Constitution, as part of the Constitution review;

- ii. That the Monitoring Officer review, in the Constitution, the Public Participation Protocol, the language used and *a specific point regarding incoming new Leaders of the Council*, as part of the Constitution review;
- iii. That Members of the Committee contact the Monitoring Officer about any areas of the Constitution they believe requires a review;
- iv. Noted the content of the report;
- v. Noted and agreed the 'direction of travel' in relation to the cultural change programme suggested by the LGA.

Reason: To assist the Monitoring Officer in his consideration of the review of the Constitution, and to provide guidance to the Assistant Director of Policy and Strategy in relation to the cultural change programme recommended by the LGA.

#### **10. AUDIT AND GOVERNANCE WORK PLAN 2023/24 (20:08)**

The Committee noted the work plan for 2023/24. Members enquired whether they could include an item to considered the governance arrangements for the new combined authority for York and North Yorkshire.

Resolved:

- i. Noted the Committee work plan;
- ii. Item to be added to the work plan to consider governance arrangements for the new combined authority for York and North Yorkshire when possible prior to its creation.

Reason: To ensure the Committee maintains a programme of work for 2023/24.

#### **11. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT (20:12)**

Veritau the Council's internal auditor introduced their report on fraud and the audits they had undertaken. Ordering documentation process was discussed due to the rise in the number of payments made without a payment order and why the issue has increased over several years, Members therefore

considered adding a review of the ordering documentation process to the Committees work plan. Exit payments were also raised and it was confirmed by the Monitoring Officer that government had updated policies for Councils on Special Severance Payments and agreed to share with Committee Members.

The Committee enquired as to how the work plan for internal audits was determined and it was confirmed that it was a risk based programme that was agreed with the Committee.

*The Committee considered annexes 3 to 7 in private session as agreed in minute 2.*

Resolved:

- i. That a report be added to the Committee work plan to review the policy and use of payment orders within the Council.

Reason: To identify the reason for the rise in payments without payment orders and potential solutions to raise compliance with Council Policy.

- ii. Noted the results of internal audit and counter fraud work undertaken.

Reason: To enable members to consider the implications of internal audit findings, and inform their assessment of the effectiveness of counter fraud arrangements.

- iii. Note the opinion of the Head of Internal Audit on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.

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

- iv. Noted the outcome of the Quality Assurance and Improvement Programme and the confirmation that the internal audit service conforms with Public Sector Internal Audit Standards.



Reason: To enable members to consider the opinion of the Head of Internal Audit.

- v. Noted that no significant control weaknesses have been identified by internal audit during the year which are relevant to the preparation of the Annual Governance Statement.

Reason: To enable the Annual Governance Statement to be prepared.

Cllr Hollyer, Chair

[The meeting started at 5.32 pm and finished at 8.50 pm].