
Meeting	Audit And Governance Committee
Date	1 December 2021
Present	Councillors Pavlovic (Chair), Fisher (Vice-Chair), Lomas, Mason, Wann, Webb And Carr
Apologies	

47. 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.

48. PUBLIC PARTICIPATION

It was reported that there had been 3 registrations to speak at the meeting under the Council's Public Participation Scheme.

Andy Mendus asked whether borrowing could be brought forward to avoid interest rate rises and whether the capital spend section in the Treasury Management report could be presented differently in future reports, as he felt it was misleading. He also asked whether the Committee reviewed the effectiveness of principle 3B and whether a revised version of the draft Constitution would be published online with the current amendments approved by the Committee today.

Gwen Swinburn raised concerns about public consultation in relation to the draft Constitution and asked that the Committee not sign off a final draft until a 3 or 4 week consultation had taken place. She raised a number of concerns about areas within the draft Constitution which she believed had not been addressed in the draft such as oversight of Teckal companies or shared services. She noted that she was relieved that the Committee would not consider the final statement of accounts as not all the relevant papers had not be provided to the Committee. Finally she raised the signing off of reports noting that some senior report authors were signing off their own report and not having sign off from a more senior officer.

Cllr Kilbane raised a number of concerns including questioning the proportionality of elected Members on Customer and Corporate Services Scrutiny Management Committee. He raised concerns relating to the role of the Monitoring Officer in an incident of disability discrimination at Full Council and standards complaints raised by opposition members which he believed were valid complaints being dismissed before investigation. He raised the cultural problems highlighted by the Local Government Association at agenda item 7 and highlighted, what he believed were corrupt practices and incidents from the Councils current administration parities.

49. MAZARS AUDIT COMPLETION REPORT

The Committee were informed that the final draft of the Audit Completion report was not ready for circulation until 30 November 2021. Mazars confirmed that the report could be ready for the Committees 2 February 2022 meeting, it was therefore agreed that the report would be deferred.

Resolved:

- i. That the Mazars Audit Completion Report be deferred until the 2 February 2022.

Reason: Because the Mazars Audit Completion Report was not prepared in time to be published with the agenda.

50. TREASURY MANAGEMENT MID-YEAR REVIEW 20/21 AND REVIEW OF PRUDENTIAL INDICATORS

Officers introduced the report noting that it represented the financial year until September 2021 and noted that it had been to Executive. It was confirmed that Covid-19 had had little impact on Treasury Management and cash levels were higher than expected, it was also noted that interest rates remained low and investment income remained low.

The Committee asked about the role of forward borrowing and whether the Council could explore borrowing money in advance to get better borrowing rates. Officers noted that forecasting was always used to ensure the Council was achieving best value for money, targeting low interest rates and moving to lock in

interest rates where the Council can avoid a cost of carry. Officers noted that usual practice had been effected in recent years because of several years of dropping interest rates, this meant that it had not been a bad time to borrow for several years and the Council had therefore focused on spreading debt and borrowing across years.

Members also enquired about how the Government's announcement of a UK Infrastructure Bank would operate. It was noted that insufficient information had been provided to determine whether the new infrastructure bank would be useful to the Council but officers would explore its rates and reliability when more information was provided.

Resolved:

- i. Audit & Governance Committee noted and scrutinised the Treasury Management Mid-year Review and Prudential Indicators 2021/22 at Annex A.

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.

51. FINAL STATEMENT OF ACCOUNTS INCLUDING ANNUAL GOVERNANCE STATEMENT

The Committee noted that due to the Mazars Audit Completion report not being prepared in time for agenda publication that the Final Statement of Accounts would also be deferred until 2 February 2022.

Resolved:

- i. That the Final Statement of Accounts including Annual Governance Statement be deferred until the 2 February 2022.

Reason: Because the Mazars Audit Completion Report was not prepared in time to be published with the agenda.

52. ANNUAL REPORT OF THE MONITORING OFFICER

The Committee were informed that the annual report of the monitoring officer was intended to be considered alongside the final statement of accounts and therefore an updated report would be provided to the 2 February meeting.

Members considered the report and enquired about the progress against the appointment of independent persons to the Committee, it was confirmed that officers had met with the Independent Remuneration panel and would be meeting with them again with the intention of providing a update on independent persons in the new year to the Committee.

Investigations of complaints against councillors were discussed and some members raised concerns that they felt complaints against administration councillors had not been considered in the same way as opposition councillors. Members also questioned the figures provided regarding scam emails which had evaded corporate malware, concerns were raised that the number of 16,373,193 seemed very high, officers promised to enquire about the data and circulate a confirmation of the correct figures.

Resolved:

- i. That it be noted that the report will be updated and brought to the Committee meeting 2 February 2022.

Reason: Because the Mazars Audit Completion Report was not prepared in time to be published with the agenda and therefore the final statement of accounts was not considered.

53. PROGRESS AGAINST THE ACTION PLAN

The Committee were joined by Mark Edgell Facilitator/Manager from the Local Government Association (LGA), to discuss the questions raised by the LGA relating to the Council Action Plan, in response to the Public Interest Report (PIR), following the Committees request for the support of the LGA.

Mr Edgell outlined five areas which the LGA believed required additional focus, which were outlined in annexes to the report. He highlighted specifically the need for cultural change at the Council. He also noted that the Council would need to determine how to measure whether the actions within the plan once successfully carried out would have made a difference. He noted that the LGA would provide a final report to the Committee in a year.

The Committee discussed the requirement for cultural change at the Council and enquired whether York being a three way marginal, or having a strong leader system of government facilitated cultural problems. Mr Edgell noted that he felt these circumstances outlined were not solely responsible and noted that other Councils in a similar situation did not have similar cultural issues. It was noted that previous PIR's had highlighted similar cultural problems at the Council and it was debated how the Council might address these issues. Mr Edgell noted the role of councillor and officer training to ensure roles are understood and promote members to follow guidance provided by officers.

Members raised the role of the Monitoring Officer and the LGA's recommendation that action be taken to ensure the Monitoring Officer can carry out their role effectively. In relation to the PIR it was noted that the Monitoring Officers advice was not fully taken by Members involved and it was discussed how to prevent this happening again. The Committee considered whether individual training for Members could be mandated and whether a log could be maintained of advice provided by the Monitoring Officer to Members. It was also considered whether or not, the Monitoring Officer could intervene if they believed a Member was not declaring an interest in a meeting, where it would be appropriate to do so.

The Council's complaints procedures were considered in relation to complaints raised against Members. The work of the Joint Standards Committee to improve the complaints procedure were highlighted along with the adoption of the LGA's model code of conduct. This work was welcomed by Members of the Committee as it was noted that some standards complaints previously including one which related to the actions which led to the incident connected to the PIR had been dismissed before reacting the Joint Standards Committee under the previous guidance. It was highlighted that some Members

felt the Councils procedures at the time of the PIR, had not been carried out consistently when a standards complaint was made against a Member.

The Committee therefore discussed how the gaps highlighted by the LGA whether the action plan could be amended to seek to address these issues. Officers noted that the implementation plan for the action plan could be reviewed and would be discussed in the next peer meeting with the LGA. Members also noted that the LGA had raised a number of questions to Council Officers and the Committee therefore enquired as to whether these could be shared with Members, officers noted that they would need to enquire with the LGA and would share if the LGA were in agreement.

Resolved:

- i. That the Committee request a six month update report from the LGA on the progress of the Council implementation of the Action Plan;
- ii. That Officers discuss with the LGA how to incorporate into the implementation plan, actions to address gaps identified by the LGA in the report;
- iii. Officers to enquire with the LGA about sharing questions raised by the LGA to officers with Members of the Committee via email.

Reason: 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.

54. REVIEW OF THE CONSTITUTION

The Committee welcomed the chair of Customer and Corporate Services Scrutiny Management Committee (CCSMC) to the meeting, to discuss Article 8 – Policy, Overview and Scrutiny. It was confirmed that Committee members had all received comments from the Chair of CCSMC which had been written following consultation with Scrutiny chairs earlier in the day.

The Chair of CCSMC noted his apologies for the lateness of sharing these comments, he noted that it had been challenging engaging with all Scrutiny chairs. He asked that the Committee focus on the role of scrutiny to provide checks and balances to

the Councils decision making and that Members consider the role of scrutiny from the perspective of multiple different roles on the Council. He also raised the current procedures connected to Call-in's as being in need of improvement such as the expected role of officers in the meeting and the ability to outline opportunity for other scrutiny topics, regardless of the outcome of the Call-in.

The Committee discussed whether sufficient time had been given to consider the proposals provided for amendments to article 8 and whether other discussions could be had, even if, additional time would be required to consider specific suggested amendments to the article. The Committee agreed to request that the item be deferred to a future meeting and that the comments provided by the Chair of CCSMC be shared once again with Scrutiny Chairs to provide additional comments if they wished. It was also noted that individual chairs of scrutiny committees were welcome to provide comments on the article if they wished.

Resolved:

- i. That consideration of Article 8 of the draft constitution be deferred to a future meeting to allow for the Committee and Officers to consider the comments of Scrutiny Chairs.

Reason: Because insufficient time was available to the Committee to consider the comments of Scrutiny Chairs prior to the meeting.

55. AUDIT AND GOVERNANCE WORK PLAN

The Committee discussed the amount of items that would now be discussed at the Committee's 2 February 2022 meeting, considering they would now also be considering Final Statement of Accounts including Annual Governance Statement. Members enquired about whether an additional meeting could be added to the Committee's work plan and officers agreed to explore the possibility of an additional date.

Resolved:

- i. That the Final Statement of Accounts including Annual Governance Statement be added to the Committees 2 February 2022 meeting;
- ii. That officers explore the possibility of an additional Committee date to split the work items from the 2 February 2022 meeting to a second meeting.

Reason: To ensure the Committee maintains a program of work for 2021/22.

Cllr M Pavlovic, Chair

[The meeting started at 5.30 pm and finished at 8.21 pm].