
Meeting	Audit and Governance Committee
Date	21 January 2022
Present	Councillors Pavlovic (Chair), Fisher (Vice-Chair), Lomas, Mason, Wann and Webb
Apologies	Councillor Carr

In light of the changing circumstances around the Covid-19 pandemic, this meeting was held remotely. Decisions made by this Committee recorded in these minutes are subject to approval by the Chief Operating Officer under his emergency delegated powers.

56. 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.

57. Minutes

Resolved:

- i. That the minutes of the meeting held on 16 November 2021 be approved and then signed by the Chair as a correct record, subject to the amendment of item 45. Paragraph 4 final sentence to 'It was confirmed by Officers that the current consultation at Haxby Hall were not expected to affect the delivery of the expected services.'
- ii. That the minutes of the meeting held on 1 December 2021 be approved and then signed by the Chair as a correct record.

58. Public Participation

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

Andy Mendus spoke on the constitution he noted that he had written to Officers and the Chair in relation to independent members on the Committee. He provided a number of observations regarding the Audit Plan. He enquired about audits of absent management, system issues in areas such as commercial waste, and whether additional work should be done to review the governance and control arrangements for the Council's Teckal companies. He also raised concerns that he felt that the Committee lacked sufficient control over the schedule of Audits.

Gwen Swinburn outlined that she felt the meeting was unlawful due to it being held remotely. She raised concerns regarding the internal audits received within the agenda. She suggested that the audits be shared with relevant scrutiny committees and Executive Members with a request for an action plan to address issues within the audits being brought back to this Committee. She expressed concern that she felt the Committee lacked sufficient control over the prioritisation of internal audits. She also expressed concern that there had not been a public consultation on the Council's draft budget.

59. Key Corporate Risks Monitor 3

The Committee considered the Council's Key Corporate Risks (KCR) and made enquiries around the risk level of the Council's capability to run effective scrutiny. Officers confirmed that the scrutiny budget had not changed but they would consider the level of risk for the delivery of scrutiny and include within the Key Corporate Risks if deemed appropriate.

The Committee discussed KCR12 (Response to Major Incidents) and made a number of considerations regarding emergency planning. Officers outlined the process undertaken when planning for a range of emergencies from flooding to public health emergencies. It was confirmed that the Council coordinated with partners in the resiliency forum. Members enquired about the role of Town and Parish Councils in supporting and planning for emergencies. Officers reported that Town and Parish Councils were still able to update their own emergency plans within the community resilience planning, however, it was noted that additional engagement work would be undertaken with Town and Parish Councils.

Members also enquired about business community planning and whether staff received training around this. It was confirmed that this planning had recently been audited and was available on shared drives. The Committee requested that a further update on business community planning be considered by the Committee at a future meeting.

Resolved:

- i. Requested that officers consider the level of risk the delivery of Scrutiny should be categorised as;
- ii. Noted KCR12 Response to Major Incidents included at Annex B;
- iii. Noted that in future reports there will be no further detailed analysis of a specific KCR's;
- iv. Requested that a update on Business Community Planning be brought to the Committee in approximately a years' time.

Reason: To provide assurance that the authority is effectively understanding and managing its key risks.

60. Corporate Governance Report

The Committee considered a report which provided updates relating to the Investigatory Powers Commissioner's Office (IPCO) inspection, Corporate Governance performance indicators, the Information Commissioners Office (ICO) published decision Notices, and Ombudsman cases October 2021 to 31 December 2021. Members discussed the decisions from the Local Government and Social Care Ombudsman (LGSCO) and questioned why four cases were unable to be summerised. Officers noted that this was a recommendation from the LGSCO, however, they did confirm that the individuals who had made complaints could waiver the right to confidentiality with the LGSCO if they wished for the information to be made public.

Resolved:

- i. To note the details contained in the report.

Reason: To provide feedback for future reporting.

61. Audit & Counter Fraud Plan & Consultation

Officers introduced the report and outlined the possible areas of work currently listed at paragraph 9 of the report. The Committee raised a number of areas which they considered could be added to the proposed work for audits in 2022/23 or whether they should be noted as requiring greater urgency, these included absence management, building services and specifically housing repairs, as well as areas such as budget management in Children's and Adults Services. The Council's Teckal companies were also discussed and Members considered whether a review of governance and client arrangements should be undertaken. Officers confirmed that a review of some Teckal companies could be undertaken, however, they were awaiting new CIPFA guidance on this.

Resolved:

- i. Noted the priorities for internal audit work for 2022/23.

Reason: To ensure that scarce audit resources are used effectively.

62. Counter Fraud Framework

Officers introduced the report providing an update on the Counter Fraud Framework, they noted that one recommendation was for the Council to introduce an Anti-Bribery Policy to strengthen its counter fraud arrangements. The Committee highlighted issues relating to the 'culture of the Council' which had been reported by the Local Government Association (LGA). They enquired whether the LGA's report should feed into any policies and officers confirmed that the peer review work by the LGA could be reflected in policies produced.

Members made a number of enquiries about the counter fraud work reported, such as, queries regarding why in some cases it was not in Council's interest to prosecute. Officers noted that this would be rare but that there could be circumstances that

meant there would not be a benefit to the Council to prosecute. Members considered if further clarity was required when this was considered appropriate. Members also suggested that the Anti-Bribery Policy include references not only to the Employee Code of Conduct but also the Council Code of Conduct.

Resolved:

- i. Noted the updated on the Counter Fraud and Corruption policy at appendix C of annex 1, prior to approval by officers;
- ii. Noted the updated Fraud Risk Assessment and Counter Fraud and Corruption Strategy action plan at appendices A and B of annex 1.

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

63. Internal Audit & Fraud Progress Report

The Committee first discussed the Internal Audit Progress Report 2021/22 and the Counter Fraud Progress Report 2021/22. The timeline for which audits would be brought to the Committee were discussed and what 'do now' categories meant within the plans. Officers confirmed the rationale behind which audits were undertaken and confirmed that 'do now' related more to when the audit could and would be completed rather than specifying the priority of a specific audit. Members highlighted audits relating to Absence Management and Danesgate and enquired as to why no opinion had been provided with the audits. Officers confirmed that this was because the scope of the audit work was limited and therefore they were not full assurance audits.

Officers introduced the internal audit report for the Council's Commercial Waste Services. Members enquired about the accepting of cash payments by the service, as this went against Council policies. Officers confirmed that they didn't believe similar processes were being used by other parts of the Council and that this audit was requested by officers when they became aware that cash payments were being accepted. Members noted the update and requested that assurances be provided

that ensured no other services were incorrectly receiving cash payments.

Regarding the other aspects of the audit officers noted that Commercial Waste Services were a small team which had worked well prior to the pandemic. However, the pandemic had created a unique set of circumstances with businesses closing and reopening at pace and not predictably that the service could not keep track of. Officers highlighted that a lot of the service customers had opened and closed several times following government guidance and work had not been undertaken and therefore not charged for. It was also noted that financial losses were likely connected to Council policies not to charge for services not delivered. The Committee questioned how this could be proved without complete invoicing and the Council's internal auditors outlined that they believed officers assessments to be correct. The internal auditors did however, note that they could undertake further checks to ensure losses were related to work not undertaken.

The Committee considered how the issues highlighted within the audit report could be avoided in the future regarding to Commercial Waste Services and other services within the Council. Officers confirmed that the action plan in response to the audit to move some processes to business services had already been completed and other actions were being worked on.

Resolved:

- i. Noted the progress made in delivering the 2021/22 internal audit work programme, and current counter fraud activity;
- ii. That an update on the delivery of the agreed actions be scheduled to be brought back to the Committee;
- iii. Officers to review income banked in cash to ensure no other services were incorrectly accepting payments in cash.

Reason To enable members to consider the implications of audit and fraud findings.

64. Audit and Governance Work Plan

The Committee considered the 2021-22 work plan and agreed add the Treasury Management Strategy Statement be scheduled for the Committees meeting on the 9 March 2022.

Resolved:

- i. That the Treasury Management Strategy Statement be scheduled for the Committees meeting on the 9 March 2022.

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

Cllr Pavlovic, Chair

[The meeting started at 5.30 pm and finished at 8.06 pm].

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