

Meeting	Audit & Governance Committee
Date	7 December 2016
Present	Councillors N Barnes (Chair), Cuthbertson, Fenton, Flinders, Kramm, Lisle and Brooks (Substitute for Councillor Dew) and Mr Mendus
Apologies	Councillor Dew and Mr Bateman

Part A - Matters Dealt with Under Delegated Powers

31. 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.

32. Minutes

Resolved: That the minutes of the meeting of 28 September 2016 be approved as a correct record and then signed by the Chair subject to the word “inevitable” being replaced by “possible” in minute 23.

33. Public Participation

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

34. Implementation of actions arising from the Internal Audit Report on Health and Safety

Members considered a report which responded to specific issues identified in the Health and Safety Internal Audit Follow-Up Report which had been presented to the Audit and Governance Committee on 28 September 2016.

Officers gave an update on the progress that had been made in implementing the actions arising from the audit and stated that processes had been strengthened, including closer working with the Property Services team. This was enabling a more co-ordinated approach to be taken. Details were also given of the new management structure and of the joint working arrangements with North Yorkshire County Council. Members were informed that the Executive Member for the Environment had received two assurance reports, which were available on the council's website. In February 2017 the Executive Member would be considering proposals in respect of shared services.

Resolved: (i) That the report be noted.

(ii) That a further update report be presented to the committee in July 2017.

Reason: To respond to concerns raised in a follow-up report into health and safety undertaken by internal audit.

35. Sickness Absence Management Update Report

Members considered a report which responded to specific issues identified in the Attendance Management (follow-up) memo dated 18 January 2016. The report also outlined the wider actions and plans in place to manage sickness absence in the council, including the implementation of iTrent absence management, which was a recommendation of the audit, and which would improve the recording of sickness absence across the council. The report also provided an update on the Workplace Wellbeing Charter which was a statement of intent showing the council's commitment to improving the health and wellbeing of employees.

Referring to paragraph 23 of the report, which detailed the number of managers who had attended the five Absence Management courses that had been held, officers were asked how this figure compared to the number of managers who had responsibility for dealing with sickness absence. Officers explained that, although the number of managers who dealt with sickness absence was much higher than the number who had attended the training sessions, it was recognised there were differing levels of responsibility. The HR team also provided one to one support for managers and bespoke training as

appropriate. Consideration had been given as to whether sickness absence management training should be mandatory for managers.

Members asked if regular health checks were available for employees. Officers stated that these had been offered in an ad-hoc way, for example blood pressure checks. It was an aspiration of the Wellbeing Charter for these to be offered as routine.

Officers were asked about further support that could be put in place to reduce sickness absence. They stated that a considerable amount of effort was put into supporting staff, and efforts were being made to change the culture to ensure that wellbeing was higher on the agenda. It was important that staff were made aware of how they could access the support that was available. Improvements were also being made to the performance monitoring information that was made available to managers.

Referring to questions from Members, officers confirmed that the trade unions were involved in shaping policies and procedures in respect of the management of sickness absence. They also had an important role to play in signposting their members to the support that was available.

Officers were asked if statistics were available on work-related sickness absence. They stated that this data was not available but that account was taken as to whether a sickness absence was work related during the management of individual cases.

Referring to the absence statistics in paragraph 18 of the report, officers were asked about the likely overall figure for 2016/17. They stated that, as sickness absence tended to rise during the winter months, the annual figure was likely to be in line with recent years.

Members noted that a further internal audit review of sickness absence would be carried out, although the timing of this was not yet known. It was agreed that the committee would consider the findings of the audit review before determining whether further update reports were required.

Resolved: That the report be noted.

Reason: To enable Members to understand the key issues and the response to recommendations to secure improvements, and the control arrangements around sickness absence.

36. Information Governance and Freedom of Information Report (including information security)

Members considered a report which provided an update on the following:

- information governance performance
- the new General Data Protection Regulation (GDPR)
- the Information Commissioners Office (ICO) data protection audit and recommendations
- compliance with the Local Government Transparency Code 2015 (LGTC 2015)
- the Health and Social Care Information Centre (HSCIC) Information Governance Toolkit (IG Toolkit) update
- information security checks

Officers drew attention to the sustained improvements in the compliance rates for responding to Freedom of Information (FoI) requests and of the significant improvement in the response to Subject Access Requests. Members were also informed of the position in respect of decision notices published by the Information Commissioner's Office.

At the request of Members, officers agreed to provide the more detailed information which supported the ICO Progress Report. This would also be made available with the online agenda papers for the meeting¹.

Members expressed concern that the search function on the City of York Council website did not extend to the information contained on the York Open Data Platform, which made accessing information difficult. Officers confirmed that a request had been made for the search function to be applied across both websites but that priority was currently being given to work such as the My Account project. Members suggested that consideration be given to including a prompt referring users to the York Open Data Platform if the search function on the CYC website did not deliver any results.²

Members commented that Freedom of Information requests were sometimes lodged because of difficulties in obtaining information from officers directly. Officers asked to be made aware of instances when this occurred and stated that they would look into this matter, as service standards were in place and should be being applied. Officers also drew Members' attention to guidance issued by the ICO regarding the type of request for information which should be considered as a normal business enquiry and that which would be considered an FoI request.

Officers were asked about the number of FoI requests that were submitted by CYC Members. They stated that they would seek to provide information on this issue within the constraints of the principles of "applicant blind" which were applied when dealing with FoI requests.³

Referring to the transparency indicator on the organisation chart, Members requested that this information be updated to reflect recent changes in the management structure.⁴

Members' attention was drawn to their responsibilities as data controllers. Training sessions had been held to support Members in this issue.

- Resolved:
- (i) That the sustained performance levels be noted.
 - (ii) That Members gave a commitment to support the work required to implement the General Data Protection regulation.
 - (iii) That the ongoing work required to ensure the council meets its information governance responsibilities be noted.

Reason: To ensure that Members are kept updated on information governance issues.

Action Required

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| 1. Provide additional information requested | LL |
| 2. Ascertain whether possible to implement requested function | PS |
| 3. Provide additional information requested | LL |
| 4. Arrange for information to be updated | LL |

37. Scrutiny of Treasury Management Midyear Review and Prudential Indicators 2016/17

Members considered a report which presented the Treasury Management Mid Year Review and Prudential Indicators 2016/17 report, which had been considered by the Executive on 24 November 2016. The report provided an update on treasury management activity for the first six months of 2016/17.

Members suggested that it would be helpful for the committee to receive data on CYC's rate of return when compared to that of other authorities.¹

Resolved: That the Treasury Management Mid Year Review and Prudential Indicators 2016/17, as detailed in Annex A of the report, be noted.

Reason: To ensure 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.

Action Required

1. Seek to obtain requested information DM

38. Audit and Governance Committee Forward Plan to September 2017

Members considered a report which presented the future plan of reports expected to be presented to the committee during the forthcoming year to September 2017. Members were invited to identify any further items they wished to add to the Forward Plan.

Members suggested that, following consideration of the Mazars' report on procurement, the committee may wish to receive further information on procurement issues.

Members agreed that, in view of the committee's workload, it would be appropriate to increase the number of meetings held each municipal year.

Resolved: That the committee's Forward Plan for the period up to September 2017 be approved subject to the following:¹

- Consideration to be given to holding an additional meeting in March 2017
- Health and Safety Update Report (July 2017)

Reason: To ensure that the committee receives regular reports in accordance with the functions of an effective audit committee and can seek assurances on any aspect of the council's internal control environment in accordance with its roles and responsibilities.

Action Required

1. Update Forward Plan

EA

Part B - Matters Referred to Council

39. Appointment of External Auditors

Members considered a report which presented the changes to the arrangements for appointing external auditors following the end of the current transitional arrangements on completion of the 2017/18 audit and which set out the options available to the council for future appointment.

Members considered the following options:

Option 1: To make a stand-alone appointment

Option 2: Set up a Joint Auditor Panel/local procurement arrangements

Option 3: Opt-in to a sector led body

The advantages and disadvantages of the options, as detailed in the report, were noted.

Members noted that, whilst the council had until December 2017 to appoint its external auditors, Public Sector Audit Appointments Ltd (PSAA) had formally invited the council to opt into the national sector led body. Details relating to this invitation had been provided in Appendices 1 and 2 of the report. If the council wished to take advantage of this national scheme for appointing external auditors, then it needed to take the decision to enable it to accept the invitation by early March

2017. The Local Audit (Appointing Person) Regulations 2015 required that a decision to opt-in must be made by a meeting of the Full Council. The Council was then required to formally respond to PSAA's invitation in the form specified by PSAA.

At the request of Members, officers confirmed that, at the end of the audit period, a value for money assessment would be carried out.

Clarification was sought as to the economies of scale that could be achieved were the Council to opt into the sector led body approach. Members were informed that this would be dependent on the number of local authorities that joined the scheme. Information on the PSAA website indicated that around fifty authorities had already opted into the scheme, and it was anticipated that more would do so before the deadline.

Recommended: That Council opt-in to the approved sector led body, Public Sector Audit Appointments Ltd (PSAA), to act as the appointing person for the appointment of external auditors for the council for five years commencing 1 April 2018.

Reason: To enable the council to take advantage of the national scheme for appointing external auditors.

40. Local Code of Corporate Governance

Members considered a report that reviewed the Code of Corporate Governance following the updated framework and guidance notes issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

Members noted that the council's current Code of Corporate Governance was included within the Constitution. Following the new framework and guidance issued by CIPFA/SOLACE, it was considered that the Code would be more appropriate as a separate policy outside of the Constitution but it would be published on the council's website with links to the related policies. Officers stated that it was intended that, by separating the Code from the Constitution, it would have more prominence.

Officers were asked to check whether the use of the word “ensure” was appropriate within the document because of its legal definition.¹ Members commented on the need for equalities issues to be appropriately reflected within the Code.

Members noted that the Governance, Risk and Assurance Group, which was an officer group, would monitor the implementation of the Code and report back to the committee through the Annual Governance Statement. Members suggested that it would be helpful for an additional column to be included in the table on Annex A to detail how the implementation of the Code would be monitored and controlled. Officers confirmed that they had working documents in place to support this process. The committee would be made aware of its implementation through the Annual Governance Statement and through the items which were included in its workplan.

Members expressed their support for the Code and agreed that they would wish any changes to the document to be brought to the committee for consideration.

- Recommended:
- (i) That the current Code of Corporate Governance be removed from the Constitution.
 - (ii) That the revised Local Code of Corporate Governance, as attached at Annex A of the report, be adopted.
 - (iii) That any future changes to the Code of Corporate Governance be presented to the committee for consideration.

Reason: To ensure appropriate governance arrangements are in place.

Action Required

1. Confirm that there are no legal implications in the AD wording used

Councillor N Barnes, Chair
[The meeting started at 5.30 pm and finished at 7.20 pm].