

---

Meeting	Audit and Governance Committee
Date	9 July 2024
Present	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Mason, Whitcroft, Merrett and Rose
Apologies	Mr Leigh and Binney (Independent Persons)
In Attendance	Bryn Roberts, Director of Governance and Monitoring Officer Debbie Mitchell, Director of Finance and Section 151 Officer Mark Outterside, Partner, Mazars (remotely)

---

#### 1. **Declarations of Interest (5:30 pm)**

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. **Minutes & Action Log (5:30 pm)**

Resolved: That the minutes of the meeting held on 22 May 2024 be approved and then signed by the Chair as a correct record.

In response to questions from Members it was confirmed that:

- A Constitution Review Update covering the Council Procedure Rules would be brought to the next meeting of the committee, with a view to having it signed off in advance of being considered by Council in September.
- The current draft version would be circulated to the committee.

Regarding the Action Log, with reference to outstanding items it was noted that:

- A breakdown of member allowances and expenses for 2023/24 would be added to Action 42, and officers would report back on progress.

- A breakdown of the figures under Action 46 (summary of Council assets) would also be provided to the committee.

### **3. Public Participation (5:34 pm)**

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

Gwen Swinburn questioned why the committee had so much business outstanding. She raised concerns about the transparency of the statutory accounts inspection process, including around the visibility of the notice given of the inspection period, and suggested that this process be codified and included in the Constitution and Forward Plan. She also requested that the terms of reference for independent persons be made available.

### **4. Monitor 4 2023/24 - Key Corporate Risks (5:38 pm)**

Members considered a report that presented the key corporate risks (KCRs) for City of York Council (CYC), which were included at Annex A.

The Director of Finance provided an update, noting that since the last report no new or increased risks had been identified, and that the list of actions had been updated to reflect comments made by the committee.

In response to questions from the committee it was noted that:

- Under KCR2, failing to meet legal timescales for responding to Freedom of Information Act (FOIA) requests was likely to be an ongoing risk. Overall 85-90% of responses were on time but the legal timescale had recently been reduced to two weeks and the Council had to prioritise the use of limited resources.
- Cyber-attacks were a constant risk. CYC's firewall was up to date and its servers were secured, with hundreds of thousands of attempted attacks filtered out annually. With reference to a recent cyber-attack on a neighbouring authority, the ICO had closed its investigation without any action.
- Councillors could not be forced to use CYC email accounts, but these were far more secure than private

accounts with systems being backed-up regularly. The uses of private email accounts for CYC business would still form part of the Council's record and a court order could be applied for if access were required for a FOIA request.

- General governance was not considered under KCR2 because it did not entail significant financial risk and CYC generally adhered to its governance requirements. Failure to follow proper governance processes was covered by other KCRs, although officers would look again at this.
- KCR3 had been updated to include reference to the new Mayoral Combined Authority. There was no reason that Mayoral priorities should not align with those of CYC, but it was important to register the possibility.
- The next iteration of the report would reflect national changes around planning under KCR8.
- The net risk under KCR9 remained high despite mitigations as there was no new money available, while increasing the number of community groups being engaged with also increased risk; officers would consider additional actions.
- Officers would consider how upskilling the workforce in the context of the growth of AI could be incorporated under KCR10.
- Risk registers were maintained for department and major projects; only significant and ongoing issues were included in KCRs.
- The Council had met the legislative requirements around the statutory accounts inspection period including online notices; there was no capacity to extend this period without jeopardising the budget process and general financial management. Objections to the accounts could only be registered in the inspection period but questions could be asked at any time. Consideration would be given to expanding publicity for next year's inspection, including highlighting that the Annual Governance Statement was published and available alongside the accounts.
- The inspection period remained open until 19 July; interested members of the public could also engage directly with the committee.

Resolved:

- (i) That the key corporate risks, included at Annex A and summarised at Annex B of the report, be noted.

- (ii) That feedback from Members around general governance, upskilling, community engagement, and increased publicity be taken into account in future.

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

## **5. Treasury Management Annual Report & Review of Prudential Indicators 2023/24 (6:12 pm)**

Members considered the Treasury Management Annual Report and Review of Prudential Indicators 2023/24, attached at Annex 1 of the report, which provided an update on treasury activity during the year and was due to be considered by Executive on 18 July 2024.

The Director of Finance provided an update and noted that:

- This was a statutory report required by the Prudential Code and would be considered by the next meeting of the Executive; any concerns the committee had could be raised then.
- The Council's Treasury Management strategy in recent years had been to use cash balances to delay borrowing. This had worked well and borrowing had recommenced at the end of the financial year on a 12 month basis, given relatively high interest rates.
- There was nothing of concern in the report to draw Members' attention to.

In response to questions from members it was noted that:

- With reference to the Council's debt maturity profile, interest rates were expected to be lower in 12 months' time; refinancing could take place at a similar level if they were not.
- The Council would not generally over-borrow to finance investment; the present emphasis was on liquidity and being able to forecast cash flow more accurately.
- Internal borrowing as referenced in Annex 1 referred to funding from existing cash balances.

Resolved: That the Treasury Management Annual Report and Review of Prudential Indicators 2023/24 at Annex 1 of 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.

## **6. Audit and Governance Work Plan 2024/25 (6:19 pm)**

The committee considered their work plan for the 2024/25 municipal year and following discussion it was noted that:

- Several substantial items were scheduled for the 31 July meeting. The relevant Directors for the scheduled reports on Constitutional changes and the Salvation Army contract were unavailable on that date, but would be available on 8 August if Members wished to reschedule. Several Members indicated they would support splitting the scheduled items across two meetings on those dates.
- With reference to the update on Member Training, firsthand feedback from the newly elected Councillor for Hull Road Ward, who would soon be undertaking this training, could be considered.
- The Director of Governance intended to bring a report to consider comments on the functioning of the committee made by one of the Independent Persons to the next meeting.

Resolved: That the work plan be noted, and the Chair liaise with officers to schedule an additional meeting for 8 August.

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

Cllr A Hollyer, Chair

[The meeting started at 5.30 pm and finished at 6.30 pm].

This page is intentionally left blank