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MEETING	AUDIT AND GOVERNANCE COMMITTEE
DATE	28 SEPTEMBER 2020
PRESENT	COUNCILLORS PAVLOVIC (CHAIR), FISHER (VICE-CHAIR), MASON [joined the meeting at 6.30 pm], D TAYLOR, WANN, WEBB AND LOMAS

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## **11. 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.

## **12. MINUTES**

It was noted that at the previous meeting of this Committee Cllr Baker had been a substitute for Cllr Taylor. Subject to this amendment, it was:

Resolved: That the Minutes of the meeting held on 15 July 2020 be approved and then signed by the Chair at a later date.

## **13. PUBLIC PARTICIPATION**

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

Mr Andy Mendus, former Independent Member of this Committee, who spoke on absence management concerns suggesting that in future it should merit a continuing reference under the section 'Significant Governance Issues' in the annual governance statement. He mentioned that Mr Hammill had been deferred from speaking at the previous July Committee meeting; and he requested further information regarding the Director of Governance 'reviewing the role of independents' across the Council.

Ms G Swinburn, who raised concerns regarding the publication of this Agenda which was published with the Risk Register for the York Central Project as an item 'to follow', then re-published

shortly later with this item having been removed. Furthermore, two additional items were published a few days before the meeting under 'Urgent Business'. One of those items on Constitutional Amendments, the other was an item for information. She noted that the Forward Plan had not been published for a number of months. Her concerns were regarding democracy, transparency, governance and following the legal framework set out in the Council's Constitution.

Mr John Young who spoke on the Citizen & External Audits (2018 and 2020) of the CYC Draft Annual Accounts, with especial reference to the Developers Contributions to Earmarked Funds (S106 Contributions) requesting transparency and evidence that this allocation was being spent appropriately.

Cllr Crawshaw spoke in his capacity as Chair of the Customer and Corporate Services Scrutiny Management Committee (CCSMC), regarding the published Agenda for this meeting. He outlined the circumstances which had led to the CCSMC (Calling-In) meeting held on 13 August, to discuss the decision made by the Executive on 23 July 2020 in respect of the York Central Update. One of the resolutions had been a request that the Audit & Governance Committee, when considering its next report on Key Corporate Risks (KCRs) in September 2020, examine in depth the KCR relating to capital projects, with any issues arising to be reported to CCSMC. He had therefore been uncomfortable that this item had been published as a 'to follow' item on the Agenda for this Committee and was then withdrawn shortly thereafter. He wanted to know who had intervened, on what grounds and whether or not this had been in consultation with the Chair of this Committee.

The Chair responded to the concerns raised by both Ms G Swinburn and Cllr Crawshaw regarding the publication of this Agenda, confirming that it had been his understanding that the Risk Register would be on the Agenda for discussion at this meeting and that he had not been consulted regarding its withdrawal from the Agenda. He had later been assured that this item would be discussed at the November meeting of this Committee.

The Chair explained that due to the Covid-19 emergency, this Committee had not met in April and June, therefore the Committee's Forward Plan had been put on hold. He expected

that the Forward Plan would be on the Agenda for the next meeting of this Committee.

The Chair invited each speaker to send him their concerns in an email which he would follow up and respond to and he thanked them for their contributions.

#### **14. MONITOR 1 2020/21 - KEY CORPORATE RISKS**

Members considered a report which presented an update on the Council's key corporate risks (KCRs) for the first quarter of 2020/21, as set out in Annex A.

Since the last monitor report in December, the Council has had to deal with the significant impact of Covid-19. It was reported that the risks in relation to Covid-19 affected most council services and have had an impact on 11 of 13 existing KCRs. Risk implications and controls in relation to Covid-19 were included within Annex A. A detailed analysis of KCR9 (Communities) was attached at Annex B, and the Assistant Director of Communities and Culture was in attendance to respond to any questions on that. Current gross and net risk ratings of all 13 current KCRs were summarised in Annex C. No risks had been added, removed, increased or reduced since the last monitor.

Members commented as follows on specific risk areas:

- KCR1 Financial Pressures – given the Covid-19 emergency, Members considered that the risk would be higher than the unchanged position of 'possible net likelihood and moderate net impact'. The Head of Corporate Finance and Commercial Procurement responded that mitigation plans were in place and committed to review this for the next meeting.
- KCR4 Changing Demographics – and the transparency of Community Impact Assessments. Officers reported that this would be discussed further at the November meeting of this committee.
- KCR5 Safeguarding – Members requested further information as to how evidence was collected; particularly in view of the potential for increases in furloughed workers, divorce and domestic violence arising from lockdown and the covid-19 emergency and given that the action plan would not be reviewed until March 2021.

- KCR 8 Local Plan and the Governments proposed changes to planning, currently at consultation stage, and how that would impact upon risk to this area.

*[Cllr Mason joined the meeting at 6.30 pm].*

#### Looking in detail at KCR9 (Communities)

In response to a Member's question regarding what funding had been given to local charities in support of their Covid-19 emergency response, the Assistant Director of Communities and Culture explained that GoodGym had received money in relation to prescription delivery. As regards other charities, it was likely that the relevant wards had provided funding to them. Move the Masses would have received funding from the Adults Social Care budget. He acknowledged the need to consider a mechanism for the Council to provide funding that charities could access, administered through local wards. The Council's funding of the Community Hubs had been supplementary to local ward funding.

The Chair thanked the Assistant Director of Communities and Culture and his team for their effort in relation to the Local Hubs and in leading volunteers to help residents in need during the Covid-19 emergency. He considered that this work had been in the best tradition of the CYC.

Resolved:

- (i) That the key corporate risks detailed in Annex A and summarised in Annex C be noted.
- (ii) That the information provided in Annex B in relation to KCR 9 (Communities) be noted.
- (iii) That it be noted that the 2020/21 Monitor 2 report will include a detailed analysis of KCR10 Workforce/Capacity.
- (iv) That officers note Members' comments and provide the additional information requested.

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

*[There was a short comfort break between 6.40pm and 6.45pm].*

## **15. URGENT BUSINESS**

The Chair of the Committee had accepted the following items for consideration:

### **15a. Results of Independent Review into Quality of Council Audits Published: Independent Review by Sir Tony Redmond of local audit and the transparency of local authority financial reporting**

Members considered a report on the results of an independent review into the effectiveness of local authority financial reporting and audit regimes in England. The review had been led by Sir Tony Redmond. The Chair had accepted this item as 'Urgent Business' as its results may directly affect the Committee and the Council in respect of the auditing of the Council's accounts. It was considered that Members needed to be fully appraised of this at the earliest opportunity.

The Chair suggested that it may be worth inviting the Council's external Auditors, Mazars, within their report on the accounts, to comment on what they consider the potential impact of the Redmond review might be.

Resolved: That the results of Sir Tony Redmond's Independent Review of local audit and the transparency of local authority financial reporting be noted.

Reason: To ensure that Members are fully appraised of this review as its results may directly affect the Committee and the Council in respect of the auditing of the Council's accounts.

### **15b. Amendments to the Constitution by the Monitoring Officer**

Members considered a report outlining amendments to the Council's Constitution necessitated by regulations issued by the Government in response to the COVID-19 pandemic which have implications on the functions of the Council. The Chair had accepted this item under 'Urgent Business' to provide assurance that the Council's Constitution is up to date and reflects these changes.

Further to the additions to the Constitution Section 3, as outlined within the officer report, the Monitoring Officer reported that 'The Health Protection (Coronavirus Restrictions) (No2) (England) (Amendments) (No5) Regulations 2020' regulation which had come into effect today, would also be added:

Resolved: Members noted the amendments to the Council's Constitution.

Reason: To provide assurance to Members that the Council's Constitution is up to date.

Cllr Pavlovic, Chair

[The meeting started at 5.30 pm and finished at 7.47 pm].