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| Meeting | Audit and Governance Committee |
| Date | 18 January 2023 |
| Present | Councillors Lomas (Chair), Fisher (Vice-Chair), Cuthbertson, Musson, Wann, Leigh (Independent Member) and Perrett (substitute for Webb) |
| Officers in Attendance | Bryn Roberts – Director of Governance and Monitoring Officer Debbie Mitchell - Chief Finance Officer Claire Foale - Assistant Director Policy and Strategy Helen Malam - Principal Accountant Max Thomas - Head of Internal Audit Veritau Limited Connor Munro - Audit Manager Veritau Limited |
| Apologies | Councillor Webb |

28. Declarations of Interest (17:33)

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.

29. Minutes (17:33)

Resolved: That the minutes of the meeting held on 30 November 2022 be approved and then signed by the Chair as a correct record.

30. Public Participation (17:34)

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

Andy Mendus raised questions about internal audits including the reduction in the number published to Open Data. He asked

about what forward borrowing could be undertaken? Finally he also asked about when the second independent member of the Audit and Governance Committee would be appointed?

31. Consultation On The Annual Audit Work Programme (17:39)

The Head of Internal Audit from Veritau Limited introduced the report and outlined areas Veritau were considering to audit in 2023/24. The Committee were asked to consider the proposed list and to propose any further areas which should be considered for an internal audit by Veritau.

The Committee made a number of suggestions for areas which could be considered for internal audit including York schools, Procurement contract management, ICT security. Members recommended that Adults and Children's Social Care if audited by audited separately from one another due to the separation in services. The Council's Governance framework and Scheme of Delegations were also proposed due to the work recently undertaken to ensure changes to Council policy and the Constitution was having the desired effect.

Members also discussed whether there were smaller service areas, or those which had been considered to be performing well for a number of years, which could dip in performance should they not be audited for a number of years. It was confirmed that the internal audit program was built on a basis of auditors experience and senior management involvement to try and ensure areas which would benefit from an audit were not missed, however, Veritau did not have the budget to audit every area of the Council and would focus to ensure high risk areas were audited.

Finally the Committee discussed how and when to take advantage of the Council's Scrutiny Committee functions. Members agreed that in certain circumstances an internal audit, which the Audit and Governance Committee considered could highlight operational issue, and in those circumstances noted that they could recommend that the service operation be recommended to the Customer and Cooperate Services Scrutiny Management Committee as an area for scrutiny to review.

Resolved:

- i. That the Committee commended on and noted the priorities for internal audit work for 2023/24.

Reason: To ensure that the views of the committee are taken into account when deciding on work to be included in the internal audit work programme.

32. Annual Review Of The Counter Fraud Framework (17:59)

The Committee considered the annual review of the counter fraud framework, questions were raised about small losses, how the Council tackled these, and was there any problem of repeat offenders avoiding prosecution due to individual cases being small. It was confirmed that serious cases were prosecuted, however, the cost of prosecution meant that it was not financially appropriate to seek a prosecution. In cases where the loss to the Council was too low for prosecution it was noted that Veritau work closely with Council services to recover losses due to fraud in a financially sensible way.

Resolved:

- i. Noted the updated Counter Fraud and Corruption Strategy action plan and Fraud Risk Assessment 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.

33. Treasury Management Strategy (18:04)

The Committee considered the Council's Treasury Management Strategy. Borrowing was discussed and it was confirmed that the Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Resolved:

- i. Noted the treasury management strategy statement and prudential Indicators for 2023/24 to 2027/28 at annex A.

Reason: So that those responsible for scrutiny and governance arrangements are properly updated and able to fulfil their responsibilities in scrutinising the strategy and policy.

34. Report Of The Monitoring Officer (18:13)

The Director of Governance and Monitoring Officer introduced the report. He noted that officers were working through a number of minor amendments to the Constitution. These amendments would be brought to the Committee and confirmed that a more comprehensive review would take place post the May 2023 elections. In relation to the Public Interest Report it was confirmed that an additional Audit and Governance Committee meeting was being explored to consider the report from the Local Government Association.

An action log for the Committee was also shared with members as a draft for consideration. Members considered the action log and agreed with officers that it would be important to archive completed actions in case needed in future years.

Resolved:

- i. Noted the report;
- ii. Agreed the format of the draft action log should be trialled with the Committee.

Reason: The contents of the report are provided for information only and to ensure agreed actions are implemented.

35. Update On The Member Induction Plan (18:22)

The new Member Induction Plan was introduced to the Committee. It was confirmed that the draft 6 month plan had been developed with the assistance of the Local Government Association. The Committee welcomed the plan highlighting the

importance of training for new and existing Members to perform the role of a Councillor. Members discussed access to the training for prospective members and it was noted that work would be done to share access and dates for sessions as soon as possible.

Resolved:

- i. Noted the Member Induction Plan.

Reason: To ensure the Member Induction Plan sufficiently provides different ways of accessing information about how the council operates to support new and current members learn more about the Constitution, their role, expected conduct, decision making and to build confidence and trust between members and officers.

36. Key Corporate Risks Monitor 2 (18:29)

The Committee considered the report into the Councils Key Corporate Risks (KCRs). Members were informed that the Corporate Director for Place has invited the Committee to undertake a review of KCRs 8 The Local Plan and 12 Major Incidents. Members discussed KCR 2 Governance and how controls were recorded. Officers noted that in relation to the report from the Local Governance Association on the Public Interest Report the control was to receive, however, once the report had been received new controls could be put in place if required. Members considered this update and requested that an additional control be added to KCR 2 that the Committee will make recommendations to a meeting of Council following the Local Governance Association's report.

Resolved:

- i. That report be added to the Committee work plan to review KCRs 8 The Local Plan and 12 Major Incidents;
- ii. That KCR 2 Governance include an action that the Committee will make recommendations to a meeting of Council following the Local Governance Association's report.

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

Cllr Lomas, Chair

[The meeting started at 5.33 pm and finished at 6.38 pm].