

Meeting	Audit & Governance Committee
Date	29 July 2015
Present	Councillors N Barnes (Chair), Cullwick, Gunnell, Lisle, Craghill (Substitute for Councillor Kramm), Cuthbertson (Substitute for Councillor Fenton) and Galvin (Substitute for Councillor Dew) and Mr Mendus
Apologies	Councillors Dew, Fenton and Kramm and Mr Bateman

12. **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.

13. **Minutes**

Resolved: That the minutes of the meeting of 24 June 2015 be approved and signed as a correct record subject to Councillor Cuthbertson being included in the list of those present.

14. **Public Participation**

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

15. **Forward Plan**

Members considered a paper which presented the future plan of reports expected to be presented to the committee during the forthcoming year to June 2016. Members noted that an item on the Council's use of surveillance had been added to the agenda for the September meeting.

Members were invited to identify any further items they wished to see added to the Forward Plan.

Referring to Annex 2 of agenda item 5 (Mazars Review of Housing for Older People Project), Members requested that a report be included on the agenda for the meeting on 23 September 2015 outlining the arrangements that were in place in respect of project management to ensure transparency in general, but particularly in respect of projects with commercial sensitivities. A more detailed follow-up report was to be presented at a future meeting.

Resolved: That, subject to the inclusion of the above item, the committee's Forward Plan for the period to June 2016 be approved.

Reason: To ensure 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.

16. Mazars Review of Housing for Older People Project

Members considered a paper which presented the audit review of the Elderly Person's Home Project carried out by Mazars and an Action Plan developed in response to the key findings in the report.

Representatives from Mazars gave a presentation on their review, including its scope and key findings [*The presentation is included with the online agenda papers*]. Consideration was also given to the Action Plan that had been put in place.

Members questioned the representatives from Mazars about aspects of the review, including clarification as to which Members and officers had been interviewed as part of the process.

A number of concerns were expressed by Members regarding management of the project and they commented on the need to ensure that the following issues were addressed in future projects:

- Ensuring appropriate skills, knowledge and experience were in place, acknowledging that there may be occasions when external advice may need to be sought. Dedicated

time should be allocated when CYC staff were carrying out project management work.

- Appropriate structures, including Project Boards, to be in place to ensure accountability and transparency.
- Clear mechanisms were required to monitor progress, including sign off points during the development of projects to ensure progress was on target and to trigger alerts if problems were identified.

Officers gave details of the progress that had been made in implementing the Action Plan and explained the governance arrangements that were now in place and the project management system that was being used. Members were informed of the reporting mechanisms in place. The Gateway points that had been identified would necessitate consideration of alternative options at various stages of the project.

Officers confirmed that the business plan that was being presented to the Executive clearly identified costs, as would the options which would be considered at the Gateway points.

- Resolved:
- (i) That the contents of Mazars Audit Report be noted.
 - (ii) That the action plan at Annex 3 of the report be endorsed.
 - (iii) That the committee receive six monthly update reports on progress in implementing the action plan.

Reason: To ensure that the committee can monitor progress in addressing the issues raised in the audit review.

17. Draft Statement of Accounts 2014/15

Members considered a report which presented for information the draft 2014/15 Statement of Accounts before they were audited. Officers gave a presentation on the accounts. *[A copy of the presentation is attached to the online agenda papers].*

Members noted that the final version of the accounts would be presented to them at the next meeting.

Members sought clarification on aspects of the accounts. It was agreed that it would be helpful for a fuller briefing on the accounts to be arranged for Members prior to the accounts being signed off by the Committee and that a training session on this topic be included in the committee's training programme.¹

Officers were thanked for their work in preparing the accounts and in meeting the required timescales.

Resolved: (i) That the draft pre-audit Statement of Accounts for the financial year ended 31 March 2015 be noted.

(ii) That the annual governance statement contained within the accounts be noted.

Reason: To ensure that, in line with best practice, Members have had the opportunity to review the draft pre-audit Statement of Accounts.

Action Required

1. Identify suitable dates

JC

18. Scrutiny of the Treasury Management Annual Report 2014/15 and Review of Prudential Indicators

Members considered a paper which presented the Treasury Management Annual Report and Review of Prudential Indicators 2014/15 which was due to be considered by the Executive on 30 July 2015.

Officers responded to Members' questions on aspects of the report. It was agreed that it would be useful for a training session to be arranged on Treasury Management.¹

Resolved: That the Treasury Management Annual Report 2014/15 and Review of Prudential Indicators be noted.

Reason: So 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

Identify a suitable date

JC

19. Key Corporate Risks Monitor 1

Members considered a report which presented an update on the key corporate risks for City of York Council, and the present refreshed Key Corporate Risk Register 2015.

Officers stated that significant progress had been made in ensuring that risk management was given a high priority on the corporate agenda and it was routinely featuring on Directorate Management Team agendas.

Consideration was given to the Key Corporate Risks and the risk matrix. At the request of Members, details were given as to how the risks were identified by Directorates but were then subject to challenge.

Members' attention was drawn to the updated Risk Management Policy and Strategy, which was attached at Annex B of the report.

Resolved: (i) That the refreshed key corporate risks, detailed in Annex A of the report, be noted.

(ii) That the draft policy, strategy and associated guidance document be approved.

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

20. Consultation on Governance Issues

Members considered a paper which annexed a report on governance issues that was due to be considered by the Executive on 30 July 2015. The report also asked Members to consider whether further changes were required to the Council Procedure Rules.

Executive Decision Making

Members noted that the new Council leadership wanted policy and scrutiny committees to have the opportunity to debate and make recommendations on matters requiring an executive decision before a final decision was taken. The views of the Audit and Governance Committee on the proposals would be reported to the Executive when they considered the matter.

Members made the following comments:

- There was general support for the opportunities for greater cross-party Member involvement in decision making and increased pre-scrutiny
- It was important to recognise the realities of political control and the fact that although the proposals offered greater opportunities for Member involvement in the decision making process, the Council would still operate a Leader and Cabinet model of decision making. The Executive would not have to comply with the recommendations of scrutiny.
- Some concerns were expressed regarding the complexity of the proposed processes.
- Members' role in respect of ward committees was also to be enhanced and therefore issues in respect of capacity and resources to support the proposed new arrangements would also need to be considered.
- Some Members suggested that a two week timescale for call-in was too long and would cause unnecessary delay.
- It was recommended that the new arrangements be reviewed after six months or a year.

Officers clarified the options in respect of the membership of the Corporate and Scrutiny Management Committee. Members' attention was also drawn to the need to ensure that effective urgency procedures were in place.

Council Procedure Rules

Following the recent introduction of new Council Procedure Rules, Members were also asked to indicate:

- Whether there was a wish to revisit the issue of written questions

- Whether the Committee would support the introduction of a Deputy Leader's report to Council

Members agreed that, as there had only been one Council meeting since the new procedures had been introduced, it was too soon to judge whether changes were necessary in respect of the arrangements for questions.

Differing views were expressed as to whether a Deputy Leader's report to Council should be introduced. Whilst some Members suggested that there may be differences in the views of the Leader and the Deputy Leader and therefore both should have the opportunity to present a report, the majority of those present agreed that as a coalition arrangement was in place separate reports were not required, particularly in view of the amount of Council business that had to be dealt with at the meetings and the time constraints.

- Resolved:
- (i) That the views of the committee in respect of the proposed executive decision making arrangements be reported to the Executive for their consideration.
 - (ii) That the Committee did not wish to recommend that the issue of written questions be revisited at this time, as the new system had not yet been sufficiently tested to identify whether changes were required.
 - (iii) That the Committee did not support the introduction of a Deputy Leader's report to Council.

- Reasons:
- (i) To enable revised decision making arrangements to be put in place.
 - (ii) To ensure that the Council meeting continues to be a forum for constructive challenge and debate.

Councillor N Barnes, Chair
[The meeting started at 5.30 pm and finished at 8.40 pm].