

Meeting	Audit & Governance Committee
Date	12 February 2014
Present	Councillors Potter (Chair), Brooks (Vice-Chair), Ayre, Barnes, Burton, Watson and Wiseman
Apologies	Mr Whiteley (Co-opted Non-Statutory Member)

Part A - Matters Dealt With Under Delegated Powers

51. 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.

52. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting during consideration of Annex 1 to agenda item 12 (minute 62 refers) on the grounds that it contains information relating to prevention, prosecution or investigation of crime. This information is classed as exempt under paragraph 7 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by the Local Government (Access to Information)(Variation) Order 2006).

53. Minutes

Resolved: That the minutes of the meeting of 11 December 2013 be approved and signed by the Chair as a correct record.

54. Public Participation

It was reported that there were no registrations to speak at the meeting under the Council's Public Participation Scheme.

55. Audit and Governance Committee Forward Plan

Consideration was given to a paper which presented the future plan of reports expected to be presented to the Committee during the forthcoming year to December 2014.

Members were asked to identify any further items they wished to add to the Forward Plan.

As requested at the meeting of 11 December 2013 (minute 48 refers), it was noted that the following information had been circulated:

- Data on qualifications undertaken by officers in respect of project management
- Information regarding Member presence on project boards

In light of this information, Members were asked to consider whether or not they would wish an item to be included on the Forward Plan to consider these issues in more detail.

The Chair drew attention to an email from the Co-opted Independent Member of the Committee suggesting that all senior project managers hold at least a foundation certificate in Prince 2.

It was suggested that an item on the role of elected members on project boards should be included on the Forward Plan, as this was an issue that had been identified in the Whole Risk Diagnostic. It was noted that, although the Whole Risk Diagnostic had referred to Member representation on the Elderly Persons Homes Board, there was no Elected Member on this board.

Discussion took place regarding the arrangements for the event on engaging with the public which would take place on 1 May 2014. It was noted that an Equalities Review Task Group was currently looking at issues around public engagement with hard to reach groups, including identifying methods for raising awareness of the democratic process amongst York's Communities of Identity. It was hoped that the event on the 1

May 2014 could link into the task group's work. The event would also feed into the ongoing review of the Council's Constitution.

Resolved: That the committee's Forward Plan for the period up to December 2014 be approved subject to the inclusion of an item on the role of elected members on project boards¹.

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.

Action Required

1. Update Forward Plan

EA

56. Partnership Governance Progress Report

Members considered a report that provided an update on progress to review partnership governance arrangements in order to strengthen accountability and manage risk.

Resolved: That the actions proposed in the report to improve risk management practice generally, and in particular in relation to partnership governance, be noted.

Reason: To update the committee on the current activity to improve corporate controls over operational partnerships to ensure risks are well managed and partnership arrangements represent good value for money.

57. Emergency Planning/Business Continuity

Members considered a report that provided an update on emergency planning and business continuity arrangements.

Members noted the following amendments to the table in paragraph 24 of the report: "In progress" to read "18" "To start" to read "6".

Members noted that reductions in staffing had resulted in the loss of a number of staff who had experience in emergency planning and that work was ongoing to develop strategic and operational capacity. Details were given of the Strategic Command Group (Gold) and the Tactical Command Group (Silver). In the event of a serious incident taking place, Members would be kept updated via email.

Officers were asked about the arrangements that were in place to encourage parish councils to develop Community Emergency Plans. They stated that a community emergency planning training event that had been held for residents had been well attended. The Council was also willing to support communities in developing their own safety/resilience plans.

Resolved: That the report be noted.

Reason: To ensure that Members are kept updated on the emergency planning/business continuity arrangements that are in place.

58. Mazars Audit Progress Report

Members considered a report that provided an update on the progress made by Mazars in meeting their responsibilities as the Council's external auditor. The report also included key emerging national issues and developments.

Members noted that Mazars was on target to present the Audit Strategy Memorandum to the Audit and Governance Committee in April 2014.

Members' attention was drawn to the key emerging national issues particularly in respect of:

- The response to the national financial challenges faced by Councils.
- The consultation that had taken place as to whether the local authority accounts production timetable should be brought forward. If this were to be implemented it would pose significant challenges for officers.
- The Audit Commission's annual report on fraud had been published in November 2013. The Commission had also produced briefings for individual authorities based on its research. The briefing for City of York Council did not

highlight any major issues of concern in respect of the Council's detection of fraud.

Members asked about the action that was being taken to make the financial statements more accessible. Officers stated that they were committed to reviewing the presentation of the accounts to make them more accessible, including considering ways of better presenting the information on the website. It was, however, acknowledged that there were legislative requirements regarding the content and that some of the information was very complex.

Resolved: That the report be noted.

Reason: To ensure that Members are kept updated on progress.

59. Mazars Grant Claims Report

Members considered a report that presented the Mazars Certification of Claims and Returns Annual Report 2012/13.

Members' attention was drawn to Appendix A of the report which was a summary of the certified claims and returns. It was confirmed that the issues in respect of the Teachers' Pension return had been addressed.

Members noted that there had been a reduction of 43.3% on the fees charged for certification work compared to the previous year.

Resolved: That the Mazars Grant Claims report be noted.

Reason: To ensure that Members are aware of the findings of the audit.

60. Key Corporate Risk Monitor 3

Members considered a report that presented an update on the key corporate risks and which highlighted in more detail any emerging risk issues with a view to Members considering any further information they would wish to receive on these matters.

Clarification was sought as to why, in view of the financial implications, the situation in respect of Elderly Persons Homes had not been elevated on the risk register. Officers stated that it was acknowledged that the £800,000 savings would not be achieved for 2014/15 and therefore this proposed saving had been removed from the budget papers and had been replaced by proposed savings in other areas. Officers explained the mechanism that was in place to elevate risks.

Consideration was given to the specific directorate risk report for the City and Environmental Services Directorate (annex B of the report). Officers stated that the Local Plan should also have been included in the list of risks detailed in the report.

Resolved: That the report be noted.

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

61. Scrutiny of the Treasury Management Strategy Statement and Prudential Indicators

Members considered a report that presented the Treasury Management Strategy Statement and Prudential Indicators 2014/15 to 2018/19. The report detailed the:

- Integrated treasury management strategy statement including the annual investment strategy and the minimum revenue provision policy statement
- Prudential Indicators for 2014/15 to 2018/19
- Revised treasury management policy statement
- Specified and non-specified investments schedule
- Treasury management scheme of delegation and role of the section 151 officer

Resolved: That the Treasury Management Strategy Statement and Prudential Indicators for 2014/15 to 2018/19 be noted.

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.

62. Fraud Risk Assessment

Members considered a report that detailed potential fraud risks to which the council was exposed and proposed counter fraud activity to address those risks. An assessment of the fraud risks was included at Annex 1 of the report.

Resolved: That the fraud risk assessment and proposed priorities for counter fraud work be noted.

Reason: To ensure that scarce audit and counter fraud resources are used effectively.

63. Internal Audit Plan Consultation

Members considered a report that sought their views on the priorities for internal audit for 2014/15, to inform the preparation of the annual audit plan.

Members put forward the following suggestions for inclusion in the audit plan:

- Possible work under “information governance” to include the process of designating items as confidential.
- Possible work under “adult social care” or “major projects” to include elderly persons homes.

Resolved: That the proposed approach to internal audit planning for 2014/15 be noted with a recommendation that the two items detailed above be included in the possible work to be carried out.

Reason: To ensure that scarce audit resources are used effectively.

Part B - Matters Referred to Council

64. Updating the Constitution

Members considered a report that sought their views on proposed changes to the “Summary and explanation” section of the Constitution.

Members put forward a number of amendments to the draft. It was agreed that the Monitoring Officer, in consultation with the Chair, would incorporate the requested changes and that the updated document would be circulated to Members prior to its submission to Full Council¹.

Recommend: That the amended draft “Summary and explanation” section of the Constitution replace section one of the current Constitution forthwith.

Reason: To ensure that the Council’s governance arrangements are set out in an easily understood form in its Constitution.

Action Required

1. Incorporate agreed amendments for circulation

AD

Councillor Potter, Chair

[The meeting started at 5.30 pm and finished at 7.10 pm].