

Meeting	Audit and Governance Committee
Date	6 April 2022
Present	Councillors Pavlovic (Chair), Fisher (Vice-Chair), Lomas, Mason, Wann, Webb and Carr

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### **81. 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.

### **82. MINUTES**

Resolved: That the minutes of the meeting held on 9 March 2022 be approved and then signed by the Chair as a correct record.

### **83. PUBLIC PARTICIPATION**

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

Andy Mendus asked how would Mazars monitor progress against the Public Interest Report and how would that be reported to the Committee. He inquired as to whether exit packages had now started to be monitored by Veritau and how this would be reported. He also enquired about what action had been taken against attempts to defraud the Council. He raised questions regarding officer access to the FMS. Finally he noted his concern that there had been a rise in invoices without a purchase order to 44% of all purchase orders raised at the Council.

#### 84. KEY CORPORATE RISKS MONITOR 4

The Committee considered an update on the key corporate risks (KCRs) for City of York Council (CYC). The main changes to the risk register it was noted had been outlined in paragraphs 14 to 22 in the report.

The Committee enquired about a number of areas outlined in the KCRs. Members enquired as to why the Covid-19 outbreak monitoring was to be transferred to the Health and Wellbeing Board (HWB). Officers confirmed that the Outbreak Management Board's (OMB) role had concluded with the end of Covid-19 regulations and therefore the HWB would take on monitoring as it does with other health monitoring work for the city. Members also requested further detail regarding the establishment of Food roles in Communities Team and how this would support communities in York. Members also raised that some Parish Councils had informed them that they had not been informed of road works in their parish which was required of the Council as outlined in the Parish Charter. Officers confirmed that they would feedback to Highways about providing information to Parish Councils.

KCR 2 relating to Governance was discussed in relation to decision making and the postponed meeting of March 2022 Full Council. Officers noted that the Council had used its emergency powers as outlined in the current Constitution which had been enhanced during the first Covid-19 lockdown. The Committee also enquired about the new risk identified in KCR 10 relating to pay structures. Due to the national pay award for 2021-22 only recently being agreed and the Council being a National Living Wage employer, officers noted that some Council staff were on similar pay despite being on different grades. Members therefore requested that an update in the first monitor for 2022-23 include an update on recruitment and retention which was noted as having been a challenge for the Council.

Resolved:

- i. That Monitor 1 for 2022-23 include an update on recruitment and retention;
- ii. That feedback be provided to the Highways department to ensure Parish Council's are informed of road works in their parish;

- iii. That Monitor 1 for 2022-23 include an update on what work the Food roles in Communities Team would do.

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

## **85. MAZARS AUDIT PROGRESS**

The Committee considered the Council's external auditors Mazars annual report for 2021/22 into the Council's 2020/21 accounts. The continued monitoring of the Council response to the Public Interest Report was discussed and Mazars confirmed they would continue to monitor the results of the action plan and were able to liaise with the Local Government Association if required. The postponement of the March 2022 Council meeting was also raised and Mazars noted that they would form an opinion on decision making which would include the decision on the postponement as part of future reporting. The Committee also discussed the Council's performance at meeting financial savings it had budgeted for and whether this performed well against other local authorities. Mazars noted that they would not have a strong opinion on this due to the impact of Covid-19 on the Council's financial position.

Resolved:

- i. Noted the matters set out in the Annual Audit Report presented by Mazars.

Reason: To ensure that Members are aware of the issues raised.

## **86. REPORT OF THE MONITORING OFFICER**

An update was received on the progress made with regards to delivery of the Action Plan prepared in response to the Report in the Public Interest dated 19 April 2021. The action to have the implementation of the new constitution was discussed and it was confirmed that had the March 2022 Council meeting gone ahead remotely that the Constitution would be postponed as a decision would need to be made by Members to implement it. Once the new constitution was approved it was confirmed that a

6 monthly review of the Constitution would be undertaken by officers to review things such as delegations being correct and a wider review yearly by the Committee.

Councillor training was discussed as to how it could be improved and how it could be monitored. Members also discussed if there should be penalties for Members who did not attend training and whether there should be a public register of attendance.

The Committee discussed the costs relating to the Public Interest Report (PIR) as outlined by Mazars and by the Council. Officers noted that they did not have any pending additional costs however, figures presented in the reports it was noted did not include Council officers time working on actions related to the PIR. It was confirmed that a significant amount of senior officer time had been dedicated to the delivery of the actions in the action plan.

Resolved:

- i. Noted the progress made with regards to delivery of the Action Plan prepared in response to the Report in the Public Interest dated 19 April 2021.

Reason: The Audit & Governance Committee is required by Full Council to monitor the delivery of the Action Plan prepared in response to the Public Interest Report.

## **87. INTERNAL AUDIT & FRAUD PLAN & PROGRESS REPORT**

Veritau provided an updated on the delivery of the internal audit work programme for 2021/22 and on counter fraud activity. The Committee considered the update and enquired about why there had been a rise of purchases being undertaken without a purchase order and whether this was an issue, noting that this went against Council policy. Officers and Veritau both confirmed that despite the rise in purchases without a purchase order they were not concerned and expected that this was in large part connected to urgent work undertaken in response to Covid-19.

Resolved:

- i. Noted the progress made in delivering the 2021/22 internal audit work programme, and current counter fraud activity.

Reason: To enable the Audit and Governance Committee to consider the implications of audit and fraud findings.

## **88. INTERNAL AUDIT AND COUNTER FRAUD PLANS 2022/23**

The Committee considered Veritau's proposed programme of internal audit work to be undertaken in 2022/23 and the proposed plan for counter fraud work. Members enquired as to whether Veritau had the ability to work flexible should important audit work need adding to the programme. Veritau confirmed that with Council officers that the programme could be amended should work require to be done earlier than initially planned.

Resolved:

- i. Approved the 2022/23 internal audit plan and noted the proposed counter fraud plan.

Reason: In accordance with the committee's responsibility for overseeing the work of internal audit and the counter fraud service.

## **89. AUDIT & GOVERNANCE WORK PLAN**

The Committee considered the Audit and Governance Committee work plan for 2022-23 and it was noted that the dates for the meetings were on the Council website provisionally and would be circulated with the Committee.

The Committee also thanked Cllr Carr in his final Audit and Governance meeting as a Committee member for his work on the Committee before he became Lord Mayor.

Resolved:

- i. Noted the Audit and Governance Work Plan.

Reason: To ensure the Committee has a plan of work for 2022-23.

Cllr Pavlovic, Chair

[The meeting started at 5.30 pm and finished at 7.19 pm].