

MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE	19 JULY 2017
PRESENT	COUNCILLORS DERBYSHIRE (CHAIR), DEW (VICE-CHAIR), SHEPHERD, CUTHBERTSON, FENTON, KRAMM AND STEWART AND MR MENDUS

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## **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.

Councillor Cuthbertson declared a personal interest in agenda item 4 (Statement of Accounts) as a Trustee of York Museums Trust during consideration of the item.

## **13. MINUTES**

Resolved: Following concerns as to the late receipt of the minutes of the meeting held on 21 June 2017, consideration of the minutes be deferred to the meeting on 20 September 2017.

## **14. PUBLIC PARTICIPATION**

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

## **15. DRAFT STATEMENT OF ACCOUNTS**

Members considered a report which presented the draft 2016/17 Statement of Accounts before audit. Statement of Accounts before they were audited. The draft accounts were currently available for public inspection until 11 August 2017 and the

audited accounts would be brought back to the committee in September for approval on behalf of the Council.

In response to Member questions, officers stated:-

- Expenditure on the Housing Revenue Account included the impact of capital charges, housing values and re-evaluation gains as per the Code of Practice guidance.
- Pension fund liabilities variances were as a result of the tri-annual valuation process and assumptions were broadly the same.
- The date of the Local Plan adoption target stated in Annex B (page 154) would be clarified, and given that minor changes could be made before formal approval, amended if required.<sup>1</sup>
- Residents of the City were entitled to inspect and ask questions on the accounts. Suggestions for improvement were welcomed and further consideration would be given as to how to improve accessibility and engagement.
- The Treasury Management Strategy was kept under constant review, and current advice was to continue to postpone borrowing given the continued economic uncertainty.

Resolved: That Members note the draft pre-audit statement of accounts for the financial year ended 31 March 2017.

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. To confirm the date of the Local Plan adoption target DM

## **16. INFORMATION GOVERNANCE UPDATE REPORT**

Members considered a report which provided information on (i) Information Governance Performance; (ii) the new General Data Protection Regulation (GDPR); (iii) compliance with the Local Government Transparency Code 2015 (LGTC 2015) and an overview of the code for smaller public authorities; and (iv) the Health and Social Care Information Centre (HSCIC) Information Governance Toolkit (IG Toolkit) update.

In response to Member questions, it was noted that:-

- Whilst schools were independent bodies with regards to data protection, advice and guidance continued to be provided as to the awareness of risks and potential gaps and weaknesses to ensure compliance with legislation, through a range of sources such as the school business website, telephone support and training sessions for heads, governors and staff.
- Volume as to requests and requestors could not be given as it was a requirement of Freedom of Information (FOI) legislation to look at applications as 'applicant blind'. However, themes of applications were examined and the publication scheme updated as necessary and request responses published. Website content was reviewed and updated wherever possible to prevent the need for further requests.
- With regards to FOI guidelines it was clarified that if the information was accessible and an answer could be provided immediately, then the enquiry could be treated as a question outside of the legislation. If not, then it should be determined as a FOI request.
- Whilst charges could be applied for enquiries that exceed the time/cost limit of £450, specific charges to commercial enquiries could not be applied.

Resolved: Members noted the sustained performance levels and the ongoing work required.

Reason: To ensure that the Council meets its information governance responsibilities.

## **17. HEALTH & SAFETY AUDIT ACTIONS**

Members considered a follow up report to the update received by on 7 December 2016. The report was requested by the Committee as part of the consideration of outstanding audit actions. The report also provided an update of the governance and oversight arrangements in place for managing Health & Safety (H&S) in the council.

In response to Member questions, officers stated:-

- The summary of actions and responses (Annex A to the report) was as presented to the Committee in December 2016. The update on actions was provided within the body of the report.
- An overarching view had been taken as to a number of the risks outlined. For example, it had been recognised that the approach to lone working was inconsistent, not just with Social Care, but across the Council. This had been subsequently discussed at CMT and a directorate by directorate review was ongoing.
- Whilst there was an analysis of H&S risks at individual premises, the limitations of the software used within the service meant that a separate report could not be produced for each property.

Whilst Members recognised the progress being made and welcomed the move to a standardised approach to risk across the services, the need for definitive deadlines for key H&S issues was required. It was agreed that a further report which clearly set out, in tabular form, the key issues identified, measurable actions and progress, with specific completion deadlines would be brought back to the Committee at a date to be agreed.

Resolved: That Members:

- (i) Noted the progress made in implementing outstanding audit actions;
- (ii) Noted the governance and oversight arrangements for health and safety in the council; and
- (iii) Requested that a further report outlining the key issues, actions, progress and specific completion deadlines, be brought back to the Committee at a date to be agreed.

Reason: To update the Committee on the implementation of outstanding audit actions and ensure that Members are aware of the governance and oversight arrangements for health and safety in the council.

**18. SUB-CONTRACTING ARRANGEMENTS (CIVIL ENGINEERING) 2015-16 INTERNAL AUDIT REPORT UPDATE**

Members considered a report which provided an update following the internal audit report for Sub-Contracting Arrangements (Civil Engineering) 2015-16 and outlined actions taken to address the issues raised in the report.

Officers gave an update on progress and highlighted that a much stronger process and evidence base, with a register of contracts, was now in place.

Members raised a number of concerns as to the findings of the audit. In response, it was noted that remedial actions had been put in place since the audit report. Over the last year a programme of training had been delivered across the directorate in order to ensure a consistent knowledge base.

Whilst it was acknowledged that the issues presented within the report were historical and measures had been put in place to move forward, it was proposed, that given the Committee's concerns, the option of a sub-group be established to provide further assurances.

The need to set clear Terms of Reference for any potential sub-group was acknowledged, as was the boundary between the elected member and officer roles. It was agreed that the Deputy Chief Executive and Director of Customer and Corporate Services would clarify the options available to the Committee and the constitutional requirements as to process. The Terms of Reference, format and remit would be determined further to this clarification.

If such a sub-group was established, membership would comprise of Mr Mendes, Councillors Shepherd and Dew and Councillor Kramm, if availability permitted.

It was noted that the LGA peer review of procurement processes was ongoing and would be presented to the Audit Committee on completion.

Resolved: That Members:

- (i) Noted the work undertaken by the service areas to address the audit report actions;
- (ii) Requested that the Deputy Chief Executive and Director of Customer and Corporate Services provide the Committee with options in respect of a sub-group, or other means of providing assurances to Members, including the constitutional requirements as to process.

Reason: To update the Committee, following the internal audit report on Sub-Contracting Arrangements (Civil Engineering) 2015-16.

**19. SUB-CONTRACTING ARRANGEMENTS (BUILDING MAINTENANCE) 2015-16 INTERNAL AUDIT REPORT UPDATE**

Members considered a report which provided an update following the internal audit report for Sub-Contracting Arrangements (Building Maintenance) 2015-16 and outlined actions taken to address the issues raised in the report.

In response to Member questions, officers stated:-

- Currently £1m of a £6m budget was being awarded to sub-contractors, which was a reduction on the £3m spent at the time of the audit. This spend was regularly reviewed and it was a key target to further reduce spend to £500k, from the current forecast of £800k.
- Plastering costs outlined within the report included both flood and void property related works. It was noted that there was a turnaround target to ensure that empty properties were back in circulation as quickly as possible, with a minimal loss of rental income. As a consequence there was a need to employ contractors to carry out this work.
- The Housing Repairs service was ongoing significant re-structure to ensure that adequate management was in place. It was explained that a Service Manager could manage up to 70 individuals under the current structure. This was being addressed through the introduction of a new layer of team leaders.

- In response to concerns as to control of working time and overtime working payments, it was noted that part of the aforementioned restructure was looking at the terms and conditions of the workforce to review overtime and stand by arrangements.
- Assurance was given that all staff within Housing Services had or would undergo procurement training.

Resolved: Members noted the work undertaken by the service areas to address the audit report actions.

Reason: To update the Committee, following the internal audit report on Sub-Contracting Arrangements (Building Maintenance) 2015-16.

## 20. FORWARD PLAN

Members considered the future plan of reports expected to be presented at the Committee during the forthcoming year to June 2018.

Resolved: The Committee's Forward Plan for the period up to June 2018 was received and the following amendments<sup>1</sup> agreed:-

- (i) The presentation of the Forward Plan be revised to a spreadsheet format to include actions and progress dates;
- (ii) A report on Yes Consulting be brought to a future meeting of the Committee;
- (iii) Feedback from the LGA Peer Reviews to be added to the Plan on completion;
- (iv) A Health and Safety update be brought back to the committee on either 6 December 2017 or 7 February 2017; and
- (v) An additional Audit Committee meeting to be arranged between September and December 2017, if required.

Reason: To ensure the Committee receives regular reports in accordance with the functions of an effective Audit Committee.

Action Required

1. FWD Plan to be amended as noted

DM

Councillor Derbyshire, Chair

[The meeting started at 5.30 pm and finished at 8.00 pm].