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MEETING	AUDIT & GOVERNANCE COMMITTEE
DATE	15 JULY 2020
PRESENT	COUNCILLORS PAVLOVIC (CHAIR), FISHER (VICE-CHAIR), MASON, WEBB, LOMAS, FENTON (SUBSTITUTE) AND BAKER
APOLOGIES	COUNCILLORS D TAYLOR AND WANN

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## **1. 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.

## **2. MINUTES**

Resolved: That the minutes of the meeting held on 11 March 2020 be approved and then signed by the Chair as a correct record. As a point of information, it was noted that the constitutional changes recommended to Council at that meeting would be referred to Full Council, as required, when it was possible to hold that Full Council meeting further to the Covid 19 pandemic.

## **3. PUBLIC PARTICIPATION**

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme from Ms G Swinburn, who spoke on various governance issues: the circumstances under which the Monitoring Officer had called for review and reconsideration of an Officer report, leading to the cancellation of an associated call-in; the new model Code of Conduct for Councillors; the inadequacy of complaints processes; the Annual Governance Statement; senior permanent recruitment and payments made to the former Chief Executive.

## **4. FINANCE AND GOVERNANCE UPDATE PRESENTATIONS**

Members received presentations on updates relating to the financial response to and challenges arising from the Covid 19

pandemic, as well in relation to governance changes to guidance and practice arising from the pandemic.

On the financial update, the Head of Corporate Finance & Commercial Procurement responded to various questions regarding ongoing monitoring of the financial position and the requirement to review the budget and/or reduce expenditure in the year ahead. Whilst an emergency budget review was unlikely for the coming year, a restriction on expenditure may be necessary and further savings would likely need to be identified in the next 3-5 years.

On the governance update, the Monitoring Officer outlined the changes which had been made and responded to questions regarding the urgent decision making guidance issued on 23 March 2020 and to the resumption of 'physical' meetings.

**RESOLVED:** That the updates on the financial and Governance services as impacted by Covid 19, be noted.

**Reason:** To ensure the Committee be properly informed about key developments in these service areas, in view of the remit of the Committee.

## **5. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT**

Members considered a report detailing the outcome of internal audit work undertaken in 2019/20 and reviewing the effectiveness of the Council's governance, risk management and internal control framework. The Head of Internal Audit also advised that the Council's Audit Charter had been reviewed but no change was considered necessary,

The Head of Internal Audit responded to various questions from Members regarding reports on limited assurance audits, the impact on audit arrangements of a new CIPFA 'high assurance' ranking, and on the impact of new ways of working identified in the summary of 2019/20 audit work at Annex 1 to the report.

**RESOLVED:** That

- (i) the results of internal audit work undertaken in 2019/20 be noted;

Reason

To enable members to consider the implications of internal audit findings.

(ii) the opinion of the Head of Internal Audit on the adequacy and effectiveness of the council's framework of governance, risk management and internal control, be noted;

Reason

To enable members to consider the implications of internal audit findings.

(iii) the outcome of the Quality Assurance and Improvement Programme and the confirmation that the internal audit service conforms with Public Sector Internal Audit Standards, be noted;

Reason

To enable members to consider the opinion of the Head of Internal Audit.

(iv) the significant control weaknesses identified during the year which are relevant to the preparation of the Annual Governance Statement, be noted

Reason

To enable the Annual Governance Statement to be prepared.

(v) the new audit opinions and definitions to be adopted from 2020/21 onwards, be noted.

Reason

To comply with internal audit recommended practice

## **6. INTERNAL AUDIT & COUNTER FRAUD PLANS 2020/21**

Members considered a report seeking approval to the planned programme of internal audit work to be undertaken in 20/20/21, including counter fraud work. This report had been delayed due to the Covid 19 pandemic and had therefore been updated in the interim, whilst the Audit Plan included an allocation of time for work already undertaken during that period. The Plan was high level and risk based and designed to be flexible to respond to need at this critical time.

RESOLVED: That the internal Audit Plan for 2020/21 be approved and the proposed Counter Fraud Plan, be noted.

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

## **7. ANNUAL REPORT OF THE MONITORING OFFICER**

Members considered the Annual Report of the Monitoring Officer, since her appointment in December 2019, addressing the Council's governance and assurance frameworks and intended to support the Annual Governance Statement.

The Monitoring Officer responded to a range of questions, advising Members that some procedures may need to be reviewed to ensure compliance with the revised model Code of Conduct recently released. In relation to questions regarding the number of cases with maladministration found without a report and regarding Housing Ombudsman cases, she undertook to provide a written response or to report back at a future meeting, when the Annual Complaints report would be considered.

RESOLVED: That the Annual Report of the Monitoring Officer be noted.

## **8. TREASURY MANAGEMENT ANNUAL REPORT & REVIEW OF PRUDENTIAL INDICATORS 2019/20**

Members considered a report setting out the draft Treasury Management Annual Report and Review of Prudential Indicators covering 2019/20, outlining treasury management activity during the year for the scrutiny of this Committee.

In response to a question about borrowing, the Head of Corporate Finance & Commercial Procurement set out the Council's process and arrangements. It was, then

RESOLVED: That the Treasury Management Annual Report and Review of Prudential Indicators for 2019/20, be noted.

Reason: To ensure those responsible for scrutiny and governance arrangements be updated on a regular basis with a view to making sure that those implementing policies and executing transactions

have properly fulfilled their responsibilities in relation to delegation and reporting.

## **9. STATEMENT OF ACCOUNTS 2019/20**

Members considered a report setting out the draft Statement of Accounts for 2019/20, prior to auditing. The Council's external auditors attended the meeting to respond to queries if required and confirmed that Covid 19 had not impacted on the Accounts before Members due to the lockdown starting at the end of the financial year. Responses were given to various detailed questions from Members around housing stock and the position relating to factoring in highways assets, after which it was

RESOLVED: That the pre-audit Statement of Accounts, including the Annual Governance Statement, for the year ended 31 March 2020, be noted, subject to formal sign-off being considered at the next or a future meeting of the Committee.

## **10. AMENDMENTS TO THE CONSTITUTION BY THE MONITORING OFFICER SINCE 23 MARCH 2020**

Members considered a report setting out essential amendments made by the Monitoring Officer to the Constitution to enable effective and urgent decision making to continue in the Council during the Covid 19 pandemic. Such amendments included implementation of urgent decision making guidance, publication arrangements for urgent decisions, additional Standing Orders to facilitate the operation of remote meetings as required by the Covid 19 Regulations, together with statutory arrangements for scrutiny and changes to facilitate and improve public participation at meetings, during this time. Details of those constitutional amendments made had been published on the Council's website.

A debate then ensued on the possibility of reviewing the Constitution further, following up on the recent 'tidying up' exercise with a view to making it easier to interpret and to improving transparency and consistency, prior to a more substantial governance review of the Council's decision making arrangements.

RESOLVED: That

- (i) The constitutional amendments made by the Monitoring Officer during the Covid 19 pandemic, be noted; and
- (ii) A report be received at a future meeting, identifying constitutional elements for further review, as set out above.

**Councillor Pavlovic, Chair**

**[The meeting started at 4.30 pm and finished at 7.25 pm].**