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| MEETING | AUDIT AND GOVERNANCE COMMITTEE |
| DATE | 17 FEBRUARY 2021 |
| PRESENT | COUNCILLORS PAVLOVIC (CHAIR), DAUBENEY, FISHER (VICE-CHAIR), LOMAS, MASON, WANN AND WEBB |
| APOLOGIES | NONE |

37. 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. At this point and in general in view of the work of the Committee, Councillor Fisher declared a personal interest as a temporary unpaid 'employee' of a company owned by a relative. Although, not a direct interest, Councillor Pavlovic then gave notice, in relation to Minute No. 39 below, that he had been in liaison with Veritau regarding a potential fraud case in his ward.

38. PUBLIC PARTICIPATION

It was reported that there had been 2 registrations to speak at the meeting under the Council's Public Participation Scheme. Firstly, Mr Andy Mendus, former co-opted independent Member of the Committee, referred to various audit reports completed in 2019/20 which appeared to be missing from the Council's website and called for any missing ones to be added. He commented on audits for the current calendar year and suggested including Section 106 reporting. He also reminded the Committee that their work plan did not yet include a review of Non-Disclosure Agreements and settlements (NDAs), as agreed in November 2020.

Secondly, Ms Gwen Swinburn spoke generally on standards relating to good governance and identified a list of business she considered appropriate for the Committee to add to its work plan moving forward including NDAs, the recruitment of independent representatives, the governance of Tecal companies and public interest reports.

39. COUNTER FRAUD FRAMEWORK UPDATE

Members considered a report presenting a new counter fraud and corruption strategy and action plan for the Council based on the new national counter fraud strategy for local government 'Fighting Fraud and Corruption Locally', together with an updated Fraud Risk Assessment and Counter Fraud & Corruption Policy.

Members raised concerns regarding the emergence of cyber-crime and the need to respond quickly to any issues in line with the Disaster Recovery Plan, as well as the provision of any grant funding towards helping identify potential fraud. The Section 151 Officer agreed to identify whether any additional 'burdens' funding from the Government could expressly be used for the purpose. The Head of Internal Audit would investigate any potential key corporate risks in relation to the Council's disaster recovery plans and report back as necessary.

Finally, some concern was raised that the Policy document did not make it explicitly clear where it applied to elected Members. It was suggested that the document be amended to reflect its application to elected Members.

RESOLVED: That

- (1) The proposed new Counter Fraud & Corruption Strategy and Action Plan, be adopted, as set out at Annex 2 to report;
- (2) The proposed updated Fraud Risk Assessment and Counter Fraud & Corruption Policy be adopted as set out at Annexes 3 & 4 to the report, subject to appropriate revisions to clarify application to elected Members.

REASON: To meet the Committee's responsibilities for assessing the effectiveness of the Council's counter fraud arrangements.

40. INTERNAL AUDIT PLAN CONSULTATION

Members considered a report identifying potential priorities for internal audit for 2021/22 for inclusion in its annual work programme. The final Internal Audit Plan would be reported to the Committee at its meeting in April 2021.

Further to those priorities identified within the report, Members proposed other areas of concern relating to powers of delegation (specifically for the Chief Operating Officer and the Director of People), processes for monitoring Council motions and audit Section 106 arrangements. In relation to reviewing specific powers of delegation, it was agreed that that work could be added at an appropriate time, post constitutional review. On Council motions, it was noted that Corporate Services Management & Policy Scrutiny Committee had already included this within its work plan. In relation to an audit on Section 106 Agreements, the Section 151 Officer agreed to review what work scrutiny had already undertaken and report back to Members.

RESOLVED: That

- (1) the priority areas identified in the report be noted and endorsed, subject to the inclusion of some work around the delegated powers of the Chief Operating Officer and Director of People, at an appropriate time;
- (2) the final and prioritised Audit Plan be brought back to the April meeting of this Committee for formal approval;
- (3) Corporate Services Management Policy & Scrutiny Committee be informed of this Committee's interest in its work on a process for the implementation of approved Council motions and invite it to report back its findings when that work is concluded;

REASON: To ensure that this Committee considers the scarce allocation and prioritisation of audit resources.

41. AUDIT AND COUNTER FRAUD MONITORING REPORT

Members considered a report providing an update on the delivery of the internal audit work plan for 2020/21 and on counter fraud activity undertaken to date in 2020/21.

Members commented upon counter fraud activity, including the work on Covid 19 grants and noted that the target on counter fraud work had already been achieved.

RESOLVED: That progress made to date in delivering the 2020/21 internal audit work plan be noted and thanks be extended for targets already being exceeded on counter fraud investigation activities.

REASON: To enable the implications of audit and fraud findings to be properly considered by the Committee.

42. CORPORATE GOVERNANCE TEAM REPORT (INFORMATION GOVERNANCE AND COMPLAINTS)

Members considered a report providing details of the performance of information governance in relation to complaints, Information Commissioners Office (ICO) decision notices since November 2020, publication of the disclosure log and Local Government & Social Care Ombudsman (LGSCO) and Housing Ombudsman cases since November 2020.

Further to the publication of the agenda for this meeting, Members noted that this report had been circulated and made publicly available late, about which the Chair expressed his dissatisfaction.

Members then commented variously on any lessons learnt, figures relating to Subject Action Requests (SARs) and ICO exemptions.

Finally, it was noted that the title of the report would in future change to reflect the responsibility of the team more appropriately to 'Corporate Governance Report'.

RESOLVED: That the report and information be noted, together with the above change in future title.

REASON: To keep Members properly informed of statistical data on the handling of complaints and information governance.

43. WORK PLAN

Members considered a draft work plan for the Committee from March 2021 to April 2022.

The Chair informed the Committee that he had requested the addition of dates moving forward for an October meeting as standard practice.

It was reported that external auditors would not be able to meet the deadline for an update from Mazars for the scheduled meeting on 10 March 2021. It was therefore suggested that that meeting be cancelled and the outstanding item on the work plan for that meeting (Key Corporate Risks Monitor 2) be deferred to a future appropriate meeting. The expected report on Non-Disclosure Agreements would not be available until the end of the financial year and would be submitted to the Committee at an appropriate future meeting.

After some discussion, it was agreed that the external auditors report on Mazars should be considered at a special 'single item' meeting towards the end of March 2021 (potentially 31 March 2021).

Consideration was then given to a potential date at the end of April (potentially 28 April 2021) to review the Constitution, prior to formal Council approval. Again, to be a special 'single-item' meeting and arrangements to be made for Members of the Committee to have access to the draft proposals 2 weeks in advance of the meeting, to allow for full preparation.

Finally, the Section 151 Officer undertook to review the potential future work areas raised by one of the public participants and respond to Members of the Committee on potential actions.

RESOLVED: That the draft work plan be noted and agreed, subject to the following additions/revisions:

- No meeting on 10 March 2021;

- Re-allocate Key Corporate Risks Monitor 2;
- Special meeting on 31 March 2021 (date tbc) to consider the Update from Mazars;
- Special meeting on 28 April (date tbc) to consider the Constitutional Review;
- Standard additional October meeting

REASON: To ensure that the Committee manages its work plan effectively.

Councillor Pavlovic, Chair

[The meeting started at 5.30 pm and finished at 8.17 pm].