

Meeting	Audit and Governance Committee
Date	4 September 2024
Present	Councillors Hollyer (Chair), J Burton (Vice-Chair) (from 5:33 pm), Fisher, Mason, Whitcroft, Merrett and Rose
Apologies	Mr Binney (Independent Person)
Officers in Attendance	Bryn Roberts, Director of Governance and Monitoring Officer Debbie Mitchell, Director of Finance Lorriane Lunt, Information Governance and Feedback Manager/Data Protection Officer Helen Malam, Principal Accountant, Corporate Finance
Officers in Attendance Remotely	Mark Outterside, Director, Forvis Mazars

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#### **24. Declarations of Interest (5:32 pm)**

At this point in the meeting, Members and co-opted members were asked to declare any disclosable pecuniary interests, or other registerable interests, they might have in respect of business on this agenda, if they had not already done so in advance on the Register of Interests. None were declared.

#### **25. Minutes & Action Log (5:32 pm)**

Resolved:

- (i) That the minutes of the meeting held on 9 July 2024 be approved and then signed by the Chair as a correct record.
- (ii) That the minutes of the meeting held on 31 July 2024 be approved and then signed by the Chair as a correct record subject to updating the sixth bullet point in minute number 12, Draft Annual Governance Statement 2023/24 to
  - Project completion reports would be completed sooner after the substantive completion of the

project, and any minor outstanding actions would be monitored to ensure proper timely execution.

Regarding the Action log, it was noted that:

- York Open Data was not included in the corporate governance team report and the Information Governance and Feedback Manager/DPO agreed to consult with the Chair and the Head of Business Intelligence to progress action 31.
- Action 35 related to Appendix 7, Access to Information.
- The supplier communications, noted in action 50, would be issued ahead of the Audit and Governance Committee meeting on 27 November 2024.
- A target date would be included in actions 59, 65, 66, 67, 68 and 69.
- The Director of Governance would instruct Veritau to proceed with an internal audit investigation of the council's contract management provision, with a report being presented at the 27 November 2024 Audit and Governance Committee (action 68).
- Subject to the Director of Governance receiving confirmation from Mr Leigh that he had resigned from the Audit and Governance Committee, the recruitment process for a new Independent Person was to be considered by the committee.

## **26. Public Participation (5:39 pm)**

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

Gwen Swinburn spoke on various corporate governance matters, requesting that:

- a protocol be commissioned that clearly demonstrated the permission and notification levels regarding officers accessing Councillor emails.
- the information governance list of multiple internal boards be revisited to include Terms of Reference, any delegations and lists of officer titles in attendance, as well as frequency of meetings.
- the current format and style of the disclosure log be considered to include all Freedom of Information responses in full.
- verbal updates be prohibited from all agendas.

- the recruitment of an Independent Person be urgently addressed.

## 27. **Corporate Governance Team Report (5:42 pm)**

Members considered a report that provided an update in respect of:

- New internal governance arrangements
- Corporate Governance performance
- Information Commissioners Office cases
- Ombudsmen cases, complaint handling codes and assessment
- Local Government and Social Care Ombudsman (LGSCO) annual letter and performance
- NHS Data Security and Protection (DSP) Toolkit – self assessment for 2023-2024
- Investigatory Powers Commissioner (IPCO) inspection including Audit and Governance Committee’s “fit for purpose” review of the covert surveillance policy and procedures and data report.

The Information Governance and Feedback Manager/DPO noted the comments raised under public participation and referenced various sections of her report, including the annexes, and highlighted that:

- The decrease in the percentage of Subject Access Request (SAR) complaints responded to in time for quarter 1 2024/25 was an area of concern and officers had resumed work with service areas and managers to consider opportunities to make improvements.
- Officers were considering improvements to address the fall in performance for responding in time to the number of complaints received in children services and other social care legislation complaints.
- There had been no Information Commissioner’s Office decision notices since the last report to committee.
- The NHS Data Security and Protection (DSP) Toolkit self-assessment for 2023-24 had been completed.
- The Investigatory Powers Commissioner onsite inspection had been confirmed for Monday, 23 September 2024, and the committee would be updated on their findings.

- If required, officers could provide the committee with further Regulation of Investigatory Powers Act (RIPA) training, following their session in November 2023.

During discussion of the item, the Information Governance and Feedback Manager/DPO answered questions raised and it was noted that:

- Members were content that the RIPA training last offered was sufficient.
- Officers had received verbal assurances from the ICO that the enforcement notice issued had been fully complied with and they would continue to chase for a recorded response.
- The departmental budget savings had been achieved due to a half vacant post, and there will be opportunities for future service delivery due to the complaint's element transferring into the customer service centre.
- Due to complaints and feedback received in the past, the disclosure log had been updated including an advanced search function. The log enables Freedom of Information (FOI) and Environmental Information Regulation (EIR) responses to be explored for up to 12 months.
- There was no legal requirement to publish any FOI or EIR responses in full and doing this could generate a potential data breach and was manually intensive. Although officers were considering how to reduce the manual process to publish the responses, guidance was available on the disclosure log website that explained how a fuller response could be obtained.
- Officers considered repeated themes within FOI or EIR requests and would proactively publish those for information and consult with the relevant service area. The legislation still required officers to provide a legally compliant response, so publishing repeated requests did not reduce the number of EIRs/FOIs received but helped reduce the time taken to respond. The Manager agreed to provide an update on the data published within her next report to committee.
- Officers were consulting with business intelligence to align the statutory timescales to provide more accurate metrics and a better trajectory throughout the year.

- Officers would expand on the internal governance management arrangements, as highlighted within annex 1, and provide a briefing that recognised and differentiated between members and officers.

The Information Governance and Feedback Manager/DPO was thanked for her report and update.

Resolved:

- (i) That the new internal governance arrangements be noted, as highlighted in the report.
- (ii) That the performance details be noted, as highlighted in the report.

Reason: So that Members were provided with details and current performance from the Corporate Governance Team.

- (iii) That the details for the IPCO inspection be noted and the “fit for purpose” review of the covert surveillance policy and procedures and data report be considered.

Reason: So that Members were provided with a future report on the council’s use of covert surveillance and complete their review of the policy and procedures as required by the IPCO.

## **28. Monitors 1 & 2 2024/25 - Key Corporate Risks (6:20 pm)**

Members considered a report that presented the Audit & Governance Committee with an update on the monitor 1 and 2 key corporate risks (KCRs) for City of York Council (CYC), which were included in Annex A to the report.

The Principal Accountant within Corporate Finance provided an update and proposed that a cycle of in-depth reviews could be presented within future reports, whereby one KCR was reviewed in detail and the risk owner attended that Audit and Governance Committee to assist with the conversation.

During discussion, officers answered questions raised, and the following feedback was noted:

- A Caldicott Guardian was a senior person responsible for protecting the confidentiality of people's health and care information and making sure it was used properly. All NHS organisations and local authorities which provided social services must have a Caldicott Guardian.
- Officers would ensure the relevant partners, including Tees, Esk and Wear Valleys NHS Foundation Trust, were included within KCR 3, Effective and Strong Partnerships.
- KCR 4, Changing Demographics was due to be reviewed and officers would consider including housing.
- That the future risks following adoption, or the possibility of judicial challenge, be considered in KCR 8, Local Plan.
- To highlight a variety of community engagement groups within KCR 9, Communities.
- That the gross likelihood and risk owners of KCR 11, External Market Conditions be considered.
- To consider including disorder in KCR 12, Major incidents.

Officers were thanked for their update.

Resolved:

- (i) That the key corporate risks, included at Annex A, and summarised at Annex B of the report, be considered.
- (ii) That the proposal at paragraph 20 of the report, to conduct an in-depth review of each KCR over the forthcoming monitors, be approved.
- (iii) That the feedback provided above, be considered.

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

## **29. Treasury Management 2024/25 Quarter 1 Report and Review of Prudential Indicators (6:35 pm)**

Members considered a report that presented the Treasury Management 2024/25 for quarter 1 and a review of the Prudential Indicators.

The Director of Finance provided an update on treasury activity during the quarter and noted the annexed report that was due to be considered by Executive on 18 September 2024. She recognised it was still a challenging time for the UK economy

and that the council continued to invest in line with its priorities of security, liquidity, and yield.

The Director of Finance answered questions raised to enable the committee to understand the activities undertaken within the reserves, interest rates and the maturity profile.

The Director was thanked for her report, and it was

Resolved: That the Treasury Management quarter 1 report and review of Prudential Indicators 2024/25 at Annex 1 to the report, be noted.

Reason: That those responsible for scrutiny and governance arrangements were updated on a regular basis to ensure that those implementing policies and executing transactions had properly fulfilled their responsibilities with regard to delegation and reporting.

### **30. External Auditor Verbal Update (6:40 pm)**

Members considered an update from the council's external auditors, Forvis Mazars.

The Director responsible for City of York Council highlighted the progress made in delivering their responsibilities, noting that:

- Audit planning for 23/24 was underway despite not finalising the 22/23 audit due to the continued delay in receiving assurances from the North Yorkshire Pension Fund auditor.
- Forvis Mazars had made enquiries with council officers regarding any other statutory duties that were required to be completed and they would respond to those once they had finalised their enquiries.
- Forvis Mazars had appointed an Engagement Manager.

The committee discussed the risks and impact regarding the delay in completing the 22/23 audit and it was suggested that officers contact the council's representative on the North Yorkshire Pension Fund Local Pension Board to seek their assistance in trying to resolve the matter.

It was noted that Forvis Mazars had recently been appointed as the new North Yorkshire Pension Fund auditors, and the Director was thanked for his update.

Resolved:

- (i) That the update be noted.
- (ii) That the council's representative on the North Yorkshire Pension Fund Local Pension Board be contacted to seek their assistance in trying to resolve the delay in receiving assurances from the North Yorkshire Pension Fund.

Reason: That the committee was made aware of any emerging issues.

An adjournment took place between 6:47 pm and 6:57 pm

**31. Report of the Monitoring Officer on suggested Constitutional Changes (6:57 pm)**

Members considered a report that provided the first tranche of suggested constitutional changes to Appendix 3, Council Procedure Rules.

The committee held a detailed discussion regarding whether to delay the endorsement of the proposed revisions to allow all political groups the opportunity to consider the proposed changes and provide a response to the Director of Governance and Monitoring Officer to ensure endorsement to Full Council on 21 November 2024.

Having discussed the timelines, and on being put to the vote, it was

Resolved:

- i) That political groups be given the opportunity to consider the proposed changes in the clean version of Appendix 3, Council Procedure Rules and provide their submissions to the Director of Governance and Monitoring Officer by 27 September 2024.
- ii) That an extraordinary Audit and Governance Committee be arranged in consultation with the Chair, Vice Chair and Director of Governance to consider the submissions received regarding the proposed changes to Appendix 3,



Council Procedure Rules, and invite a representative from the Conservative Group and the Independent Member to the meeting to enable them to reflect their perspective ahead of onward endorsement to the meeting of Full Council on 21 November 2024.

- iii) That arrangements be made to remove the Deputy Leader report from the Council Procedure Rules and the Director of Governance and Monitoring Officer remit that amendment only to the meeting of Full Council on 19 September 2024 for approval.
- iv) That the delayed timelines and process to finalising Appendix 3 for endorsement at Full Council be raised and discussed at Group Leaders on 3 October 2024.

Reason: To ensure all Groups had the opportunity to consider the proposed Constitutional changes.

### **32. Audit and Governance Work Plan (7:40 pm)**

The committee considered their work plan for the 2024/25 municipal year and following discussion, it was:

Resolved:

- i) That an extraordinary Audit and Governance Committee be arranged to consider the Constitutional changes to Appendix 3, Council Procedure Rules.
- ii) That the covert surveillance policy be included within the corporate governance report on 29 January 2025.
- iii) That public participation guidance be provided to all Councillors ahead of the Constitution Working Group reviewing the Public Participation Protocol (Appendix 8).
- iv) That a forward plan be comprised in the work plan and to include the Councillor Code of Conduct, York Open Data, Counter Fraud Annual Review (May 2025), as well as cross referencing with the action log.
- v) That a private meeting be arranged for the committee to consult with the external Auditors, Forvis Mazars, following the closure of a suitable Audit and Governance Committee.

Reason: To ensure the committee maintained a programme of work for 2024/25.

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 7.48 pm].