



## AUDIT AND GOVERNANCE COMMITTEE

**MEETING** : Monday, 18th July 2022

**PRESENT** : Cllrs. Wilson (Chair), Brooker, Bowkett, Patel, Evans, Melvin and Pullen

**Others in Attendance**

Director of Policy and Resources

Head of Audit, Risk and Assurance (ARA)

Democratic and Electoral Services Team Leader

**Also in attendance**

Councillor Norman (Ex-Officio)

**APOLOGIES** : Cllrs. Durdey

### 1. APPOINTMENT OF CHAIR AND VICE-CHAIR

Councillors Wilson and Gravells were confirmed as Chair and Vice-Chair of the Committee respectively.

### 2. MINUTES

2.1 In response to a query from the Chair regarding a benefit subsidy audit, the Head of Audit, Risk and Assurance (ARA) confirmed that the report would come before the Committee.

2.2 In respect of the inaccessible draft report regarding recyclables, it was confirmed that once it had been released, it would be available for consideration by the Committee.

2.3 **RESOLVED** that the minutes of the meeting held on 7 March 2022 be approved and signed as a correct record by the Chair.

### 3. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 4. PUBLIC QUESTION TIME (15 MINUTES)

**AUDIT AND GOVERNANCE COMMITTEE**  
**18.07.22**

There were no public questions.

**5. PETITIONS AND DEPUTATIONS (15 MINUTES)**

There were no petitions or deputations.

**6. ANNUAL REPORT OF THE HEAD OF AUDIT RISK AND ASSURANCE**

- 6.1 The Head of Audit Risk and Assurance (ARA) outlined the work undertaken by the internal audit team throughout the year and further outlined that internal audit provided opinions on risk management as well as a comparison of work undertaken.
- 6.2 The Head of ARA thanked the Internal Audit team for their hard work during the year, which was reflected in the report. He also thanked Members and officers of the Council for their support of ARA's work.
- 6.3 Internal Audit work was carried out in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017 and the CIPFA Local Government Application Note for the UK PSIAS. The Head of ARA also confirmed that there had, overall, been a satisfactory opinion and confirmed that no limitations had been placed on internal audit's work.
- 6.4 Throughout the year, 90% of the revised plan was achieved against a target of 85% and the Head of ARA thanked the wider team for this achievement.
- 6.5 Councillor Pullen stated he was pleased with the assurance levels provided and asked whether there should be an aspiration to achieve greater levels of assurance. The Head of ARA clarified that there was a low to medium exposure to risk and in order to get to the next level, all areas would require greater levels of assurance.
- 6.6 In response to a query from the Chair as to how great the risk was in terms of staffing at the Council, the Head of ARA advised that this was a national issue and not unique to Gloucester.
- 6.7 **RESOLVED that:** - The Audit and Governance Committee
- (1) Assessed, from the findings set out in this Annual Report on Internal Audit Activity 2021/22, whether it can take reasonable assurance that the internal control environment, comprising risk management, control and governance is operating effectively;
  - (2) Note that the performance of Internal Audit meets the required standards; and
  - (3) Note the Council wide counter fraud activity during 2021/22 which includes the fraud reporting requirements as mandated by the Local Government Transparency Code 2015.

**AUDIT AND GOVERNANCE COMMITTEE**  
**18.07.22**

**7. DRAFT ANNUAL GOVERNANCE STATEMENT 2021/22**

- 7.1 The Head of Audit, Risk and Assurance (ARA) outlined the report, informing Members that it was a legal requirement to produce such a document and would assist in providing assurance ahead of signing the accounts. The report was to show that the Council had ensured sound governance arrangements and detailed key governance issues over the course of the year. Key elements included financial resilience, risk management and moving office premises.
- 7.2 Councillor Patel asked whether provision for support with stress and mental health extended to Members and not just officers. Councillor Norman noted that Members were also welcome to use the Employee Assistance Programme as well as officers.
- 7.3 In response to a point raised by Councillor Pullen with regards to cyber insurance, the Director of Policy and Resources advised that the Managing Director had met with the Department for Levelling Up, Communities and Housing (DLUCH) and the Council's insurers. A project would commence to explore a mechanism to provide protection in the future. Further, he noted that this would require support from the Treasury.
- 7.4 The Chair shared his view that the Statement was one of the most important documents the Council produced. He praised Officers for their resilience in continuing to work for the City following the cyber incident.
- 7.5 **RESOLVED that: -**

The Annual Governance Statement 2021/22 (including the actions planned by the Council to further enhance good governance arrangements), as set out in Appendix 1 be approved;

and that an update on actions taken by the Council to further enhance good governance arrangements be provided to the January 2023 Audit and Governance Committee meeting.

**8. APPOINTMENT OF INDEPENDENT MEMBER**

- 8.1 The Head of ARA informed the Committee that a recruitment pack had been put together and would be circulated. It was confirmed that the appointment would attract an annual allowance and it was hoped they would be appointed prior to September's Committee meeting.
- 8.2 In response to comments from the Chair regarding advertising, the Head of ARA confirmed that the role would be advertised widely. A discussion ensued in relation to where it would be useful to advertise and included using various websites, career-specific social media. The Head of ARA would examine what limitations there were in terms of who could not be appointed and would confirm this to the Committee.
- 8.3 **RESOLVED that:-** The Audit and Governance Committee NOTE the update.

**AUDIT AND GOVERNANCE COMMITTEE**  
**18.07.22**

**9. ANNUAL RISK MANAGEMENT REPORT 2021/22 AND STRATEGIC RISK REGISTER**

9.1 The Head of ARA outlined that the report was a key element of the governance framework and included details of the Risk Management review which fed into plans for the coming year. The action plan would be progressed by ARA.

9.2 The Chair noted that the Annual Governance Statement would be reviewed by the Committee in July and asked if it would also be appropriate to examine progress against the risk management plans. The Head of ARA stated that ARA would look to conduct a follow up review.

9.3 Councillor Patel asked if, whilst the report referred to risk management in respect of officers, did the provisions of identifying and mitigating risk extend to contractors. The Head of ARA confirmed that it did. In response to Councillor Patel's query regarding measures taken against matters such as reputational damage, the Director of Policy and Resources confirmed that this was included in the Strategic Risk Register. Councillor Norman also stated that Cabinet appreciated being informed of key issues and trends.

9.4 The Director of Policy and Resources advised that key external partners attend the Overview and Scrutiny Committee on their invitation and updates are provided.

9.5 **RESOLVED that:-** The Audit and Governance Committee

(1) Notes and endorses:

o The risk management arrangements in place for the past year (2021/22); and

o The planned risk management arrangements for 2022/23.

(2) Agrees that on the basis of the information set out in this report, it can be concluded that arrangements for managing risk within the Council are sound.

**10. DRAFT ANNUAL REPORT OF THE CHAIR OF THE AUDIT AND GOVERNANCE COMMITTEE**

10.1 The Chair outlined the report and provided a summary of work through the year and thanked all officers for their work in a particularly challenging year. He stated that it was disappointing that the accounts were not yet ready but appreciated that this was not due to Council officers and it was out of their control.

**AUDIT AND GOVERNANCE COMMITTEE**  
**18.07.22**

10.2 **RESOLVED that:-** The Audit and Governance Committee agreed the Annual Report for 2021/22.

**11. INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2021/22**

11.1 The Head of ARA explained that the report detailed audits that had been completed and that there had been no limited level assurances. The cyber incident had affected the team's ability to conduct audits.

11.2 In respect of s. 202 reviews, the Chair asked if it had been outsourced part way through the audit. The Head of ARA stated that it was his understanding that it had been outsourced before the audit commenced but that it was appropriate for the audit to still be conducted. Further, some audits had been cancelled due to them being deemed not necessary following an updated risk assessment.

11.3 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the progress report.

**12. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED that:**

The press and public be excluded from the meeting during the following item of business on the grounds that it is likely, in view of the nature of business to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of this item there will be disclosure to them of exempt information as defined in Schedule 12A (para. 3) of the Local Government Act 1972 as amended.

**13. IT SYSTEMS UPDATE**

**RESOLVED:** - As per the exempt minutes.

**14. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

**RESOLVED that:** - The Audit and Governance Committee **NOTE** the work programme.

**15. DATE OF NEXT MEETING**

Monday 12 September at 6.30pm in the Civic Suite, North Warehouse

**Time of commencement: 6.30 pm hours**

**Time of conclusion: 7.50 pm hours**

**Chair**

**AUDIT AND GOVERNANCE COMMITTEE**  
**18.07.22**