



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 20th January 2020

PRESENT : Cllrs. Melvin (Chair), Bowkett, Hampson, Lugg, D. Norman, Taylor, Wilson and Williams

Others in Attendance

Corporate Director

Head of Policy and Resources

Head of Audit, Risk and Assurance

Accountancy Manager

Deloitte Representatives

Democratic and Electoral Services Team Leader

APOLOGIES : Cllrs. Brooker

14. DECLARATIONS OF INTEREST

14.1 There were no declarations of interest.

15. MINUTES

15.1 Councillor Wilson queried para 8.3 of the minutes and asked for clarification on those who were self-employed and had been paid travel expenses. The Head of Policy and Resources advised that this information would be circulated.

The following was subsequently circulated to Members:

The three individuals were two organists and the sword/mace bearer. When contracting these individuals, the Council agreed to pay their expenses when travelling to provide their service to the Council.

15.2 The Chair signed the minutes of the meeting which took place on 18 November 2019 as a correct record.

16. PUBLIC QUESTION TIME (15 MINUTES)

16.1 There were no public questions.

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17. PETITIONS AND DEPUTATIONS (15 MINUTES)

17.1 There were no petitions or deputations.

18. DELOITTE AUDIT PLAN

18.1 The Chair welcomed two representatives from Deloitte, the Council's external auditor. They outlined that this was the second year Deloitte had been engaged and there was greater familiarity between both themselves and the Council.

18.2 It was stated that an audit had been undertaken in respect of materiality up to £2m and that, whilst there were other areas of audit interest, these were not significant at present.

18.3 The Chair asked, if there was a large pension fund, was there any reason the Council could not invest its own fund in property.

18.4 The Head of Policy and Resources advised that the Council did not directly control the pension fund. The Council was part of a new pool of which it was just one. The County Council's Pension Committee controlled the fund in accordance with each district's best interests.

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

19. AMEY STREETCARE CONTRACT MANAGEMENT - UPDATE REPORT

19.1 The Corporate Director outlined that work on the recommendations had been undertaken over a number of years. He advised that the paper in front of Committee was a management updated and the Internal Audit team would examine the actions taken.

19.2 The Corporate Director advised that the three recommendations (the Service Plan, the establishment of Key Performance Indicators and associated penalties and; audits to check compliance had all been complied with.

19.3 The Chair stated that she was pleased with the introduction of compliance checks and congratulated the team for all their work.

19.4 The Corporate Director provided an update on the contract more broadly. He advised that when the new recycling service (separate boxes for different recyclates) was rolled out, the was a compliance rate of approximately 90%. He further advised that it was now approximately 1% which was non-compliant.

19.5 Councillor Lugg queried these figures as she noted that many did not have two recycling boxes. The Corporate Director stated that different households took different approaches. Councillor Taylor noted that the 1% figure was an average across the city. In some areas, it would be high and in others, lower.

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- 19.6 Councillor Williams asked how many older and disabled residents were receiving assisted collections. Councillor Melvin asked if information about assisted collections was circulated to social care teams to promote the service. The Corporate Director advised that this information would be circulated.

The following was circulated to Members after the meeting:

The total number of assisted collections was 359. Information regarding assisted collections had not been circulated to social care but can be done in the future.

- 19.7 Councillor Bowkett stated that some residents were without the internet or a smartphone. He also noted that some residents were registered blind and queried how these residents were informed of the changes to services. The Corporate Director advised that such information was communicated through a number of channels including radio.
- 19.8 Councillor Taylor asked when Internal Audit would be examining the actions taken. The Head of Internal Audit advised that testing could begin at any point but that it would be prudent for it to take place once the actions had been in place for a period of time.
- 19.9 **RESOLVED that:** - The Audit and Governance Committee **NOTE** the update.

20. INTERNAL AUDIT PURPOSE, AUTHORITY, ROLE AND FUNCTION

- 20.1 The Head of Audit, Risk and Assurance informed Members that public sector guidelines required local authorities to periodically report on Internal Audit's Purpose, Authority, Role and Function. She advised that a data analytics strategy had been developed and that entire populations of data could be examined. She informed Members that the charter had to be formally approved.
- 20.2 Councillor Wilson asked if the data analytics capabilities was being 'bought in' and expressed concern about resource implications. The Head of Audit, Risk and Assurance advised that there were three members of Internal Audit who were data analytics specialists. She added that it was being piloted at the County Council and that nothing extra was being purchased.
- 20.3 **RESOLVED that:** - The Audit and Governance Committee approve the Internal Audit Strategy, Data Analytics Strategy, Charter, Code of Ethics and Quality Assurance Improvement Programme.

21. ANNUAL GOVERNANCE STATEMENT 2018/19 IMPROVEMENT PLAN - PROGRESS REPORT

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

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22. RISK MANAGEMENT POLICY AND STRATEGY 2020-23

22.1 The Head of Audit, Risk and Assurance highlighted key parts of the report. She advised that there had been no significant changes and that lots of work had been undertaken to embed risk management across the organisation.

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

23. INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2019/20

23.1 The Head of Audit, Risk and Assurance outlined the limited assurance opinion on the building control shared service. She highlighted that it was not a failing but that internal audit recommended having the relevant management attend the next Committee meeting.

23.2 **RESOLVED that:** - (1) The Audit and Governance Committee **NOTE** the report and; (2) The Head of Place to attend the next Committee meeting in respect of the limited assurance opinion on the building control shared service.

24. OUTSIDE BODIES DRAFT REPORT

24.1 The Corporate Director outlined that a working group to examine the contribution made by Members appointed to outside bodies had been commissioned in the summer. He advised that a survey and interviews had been undertaken and representatives from two bodies had appeared at Committee. The Corporate Director stated that there was a mixed response. Some were very supportive of the Council's involvement and for others, the Council had historically appointed Members and that this had not changed.

24.2 The Corporate Director informed Members that feedback had suggested that the processes in place did not allow for a meaningful dialogue. He also suggested that there was worked to be done in clarifying expectations as to what each body expected from appointees.

24.3 The Corporate Director suggested that a discussion take place regarding whether the Council should continue to appoint to some bodies and if there were other ways to engage and show support. He suggested that formally appointing be retained where there was a benefit. The Corporate Director also mooted the establishment of a protocol of what was expected and what commitment was required as well as Members reporting to Council on their and the bodies' work.

24.4 Councillor Wilson, who was a member of the working group, agreed that the response was very mixed and that a key element was the characterization of the work involved. He suggested that a protocol be drawn up.

24.5 Councillor D. Norman, another member of the working group, stated that there was a two-way onus on training for appointees. Councillor Hampson, also of the working group, stated that it was important that Members were made aware of their obligations as an appointee.

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24.6 **RESOLVED that:** - (1) The Audit and Governance Committee **NOTE** the report.

25. REVISED TERMS OF REFERENCE AND APPOINTMENT OF AN INDEPENDENT MEMBER

25.1 The Head of Audit, Risk and Assurance advised that a review was undertaken in mid-2019 in line with recent CIPFA guidance. This recommended the co-option of an Independent Member to the Audit and Governance Committee. She suggested that it would be beneficial to do so and that it reinforced political neutrality. The Head of Audit, Risk and Assurance highlight the recommendation that the next Chair of the Committee not be a Member of the administration group.

25.2 Councillor D. Norman noted that the Independent Remuneration Panel did not receive an allowance and that one of the recommendations was that the proposed Independent Member receive an allowance. He asked whether this might be queried. The Corporate Director advised that, while there was a disparity, this was justified as it would be regular work.

25.3 Councillor H. Norman proposed that, if the recommendations were approved, it be clarified that they would take effect from 2020/21.

25.4 **RESOLVED that:** - The Audit and Governance Committee **RECOMMEND** to Council:

- (1) That, with effect from the Civic Year 2020/21, an Independent Member is co-opted on to the Audit and Governance Committee on a non-voting basis;
- (2) That the appointment of the Independent Member is delegated to the Audit and Governance Committee;
- (3) That the process for selecting and recommending an appropriate candidate is delegated to the Head of Policy and Resources in consultation with the Chair of Audit and Governance Committee;
- (4) That, with effect from the Civic Year 2020/21, the Chair of the Audit and Governance Committee shall not be a member of the political group or groups forming the administration; and
- (5) That the Audit and Governance Committee's Terms of Reference as set out in Attachment 1 (Appendix 2) be approved.

26. COUNCILLOR AND EMPLOYEE CODES OF CONDUCT AND RELATED PROTOCOL ON COUNCILLOR/EMPLOYEE RELATIONS

26.1 The Corporate Director provided the update report following internal audit activity. He outlined that new staff would receive the appropriate employee codes following a review and simplification of the codes. The proposals were

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supported by the General Purposes Committee and would be discussed with the trade unions. The Corporate Director also highlighted a particular change which would require a Member who had declared an interest to leave the room.

26.2 **RESOLVED that:** - The Audit and Governance Committee **APPROVE** the recommendations to Council as contained within the report.

27. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

27.1 The Committee considered the work programme. The Head of Policy and Resources advised Members that KPMG no longer provided a grants report to the Council. He stated that, if there was an auditing issue in respect of Housing Benefit, this would be reported but that there were no such issues.

27.2 **RESOLVED that:** - The Work Programme be noted.

28. DATE OF NEXT MEETING

Monday 9 March 2020 at 6.30pm in the Civic Suite, North Warehouse.

Time of commencement: 6.30 pm hours

Time of conclusion: 7.20 pm hours

Chair