



AUDIT AND GOVERNANCE COMMITTEE

- MEETING** : Monday, 14th September 2020
- PRESENT** : Cllrs. Wilson (Chair), Brooker (Vice-Chair), Bowkett, Hampson, Lewis, Lugg, D. Norman and Patel

Others in Attendance

Corporate Director
Head of Policy and Resources
Audit, Risk and Assurance – Group Manager
Accountancy Manager
Democratic and Electoral Services Team Leader

- APOLOGIES** : Cllr. Toleman

17. DECLARATIONS OF INTEREST

- 17.1 There were no declarations of interest.

18. MINUTES

- 18.1 The minutes of the meeting held on 20 July 2020 were confirmed as a correct record.

19. PUBLIC QUESTION TIME (15 MINUTES)

- 19.1 A member of the public elected for the following three questions (to the Chair) to be read out by an officer on her behalf:

Can you confirm that there will be a public announcement of clarification, concerning the response to your question to the former Leader of the City Council at the O&S meeting on 10th March 2020? The minutes of that meeting state that "Councillor Wilson queried whether Councillor James had read the internal audit report in 2017 which followed on from the 2014 whistleblowing allegations. Councillor James advised that it had not been brought to his attention at the time." This response has subsequently been proven to be completely untrue. Cllr Watkins confirmed in the Council meeting on 9th July 2020, that the former Leader was in fact made aware of the audit report. This has been further backed up in an email provided under a FOI request that clearly shows the former Leader was copied into an email concerning the Internal Audit Report.

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19.2 The Chair responded that the communications referred to were now in the public domain and that any member of the public could draw their own conclusions from them.

19.3 The second question was:

Please could you confirm whether you agree with the stance being taken by both the Managing Director and Audit Risk Assurance? This is in respect of whether information and documentation from a whistleblowing case, correctly raised under Gloucester City Council's Whistleblowing Policy should have been destroyed in spite of the fact this was contrary to both the Whistleblowing Policy and the Document Retention Policy. It has been stated that the information did not need to be retained because the Whistleblowing case was about Marketing Gloucester, a company 100% owned by Gloucester City Council. Where in the policy was this stated, as it should be noted that at every other stage in the process, the Council's Whistleblowing Policy was strictly adhered to as confirmed in an email from the Head of Paid Service at the time.

19.4 The Chair responded that his view was that the documents should have been retained. He noted that some Members had attempted to retrieve the documents but had been unable to do so. He also stated his belief that the Whistleblowing Policy should have encompassed those employed by Marketing Gloucester. In respect of a possible review of the policy, the Chair stated that the Overview and Scrutiny Committee recommended in March that a review should be undertaken. He confirmed that the review was in progress and hoped that it would conclude in December 2020.

19.5 The third question was:

Please could you confirm whether a review is planned of the Council's Complaints Policy? The current policy states that a complaint will be acknowledged in one working day. From recent experience this KPI is not being met. A recent complaint submitted to the Council was only acknowledged after querying why no acknowledgement had been received after five working days.

19.6 The Chair stated that he was unsure if a review of the complaints policy was imminent. He noted that such a review was in the Audit Plan but was being postponed until next year due to delays caused by the COVID-19 pandemic. He noted that the policy did state that the target response time to acknowledge a complaint was one day and that this was done through an automated receipt system and that the complaint in question should have been acknowledged. In respect of the associated KPIs, the Chair stated that performance would be followed up.

20. PETITIONS AND DEPUTATIONS (15 MINUTES)

20.1 There were no petitions or deputations.

21. STATEMENT OF ACCOUNTS

21.1 The Head of Policy and Resources confirmed that the auditors of the pension fund sought to have completed their work in October after which, the accounts could be signed off following the Committee's November meeting. No other issues had been raised.

22. DELOITTE EXTERNAL AUDIT REPORT 2019/20 (ISA 260 TO THOSE CHARGED WITH GOVERNANCE)

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- 22.1 The Head of Policy and Resources confirmed that there had been no change to the report since the Committee received it in July and that Deloitte was continuing with its work. This included a review of the narrative report, pension liabilities and, subsequently, the management letter to conclude. He also confirmed that no significant audit adjustments had been identified.
- 22.2 The Chair asked if the comment that referred to there being material uncertainty caused by COVID-19 identified by the Council's external property valuer regarding the valuation of property. He asked if this was a general position taken by the Royal Institute of Chartered Surveyors due to, for example, more people working from home. The Head of Policy and Resources stated that he would expect this to be included across all audits and confirmed that there would be no requirement to change the accounts.

23. INTERNAL AUDIT ACTIVITY 2020/21 - PROGRESS REPORT

- 23.1 The Audit, Risk and Assurance (ARA) Group Manager outlined audit activity which had been completed up until August 2020. She outlined that four assurance outcomes were confirmed. These were against safeguarding, voluntary and community sector grants, Freedom of Information requests and Blackfriars. All assurance opinions were positive. The Group Manager also advised that with COVID-19 and the risks faced by the Council, additional activity had been completed by ARA as outlined in the report. She also confirmed that, since the end of August, further progress against the plan had been made and that ARA would support presentation of an Internal Audit Progress Report to the November 20 Committee meeting (i.e. an addition to the Audit & Governance Committee work programme).
- 23.2 The Chair asked if the safeguarding officer group had met since October 2019 given it was due to meet every six months. The ARA Group Manager confirmed that there have been subsequent safeguarding officer group meetings.
- 23.3 With regard to community and voluntary groups providing evidence of outcomes following grant allocations, the ARA Group Manager stated that an up to date position would be confirmed with the lead officer confirmed and that it would be fed back to Committee.
- 23.4 The Chair noted that the FOI Code of Practice stated that, public authorities with over 100 Full Time Equivalent (FTE) employees should, as a matter of best practice, publish details of their performance on handling requests for information under the Act. Internal Audit had identified that this information was not published by the Council. He queried whether this had been progressed or implemented. The ARA Group Manager that an up to date position would be confirmed with the lead officer.
- 23.5 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the Internal Audit Activity 2020/21 Progress Report.

24. REVISED INTERNAL AUDIT PLAN 2020/21

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- 24.1 The ARA Group Manager outlined that the COVID-19 pandemic had placed significant pressure on Council services. To ensure that the audit plan continued to meet the needs of the Council, a revised internal audit plan had been produced following consultation with the Senior Management Team. The Group Manager outlined key aspects of the report and that the continued focus was on Priority 1 activity where possible such as the three ICT audit themes. She also outlined the new assurance/support activities coming through due to Covid-19 risk themes and audit deferrals which had been carefully considered by ARA and the Senior Management Team.
- 24.2 The Group Manager provided, by way of example, that the Events audit would be deferred to 2021/22 to ensure added value of the audit. This was due to there being significantly less events activity within 2020/21 due to the impact of the pandemic and relevant requirements.
- 24.3 In response to a query from the Chair regards the proposed audit deferral for Code of Conduct, the ARA Group Manager advised that, while the Code of Conduct had been refreshed, the associated communications roll out, briefings and training events had been placed on hold due to Covid 19 (pending a return to more normalised working arrangements). Greater flexibility had also been agreed by Senior Management Team and applied due to the Covid 19 impact and remote working arrangements.
- 24.4 **RESOLVED that:-** The Audit and Governance Committee **APPROVE** the Revised Internal Audit Plan 2020/21.

25. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

- 25.1 The Committee considered the Work Programme. It was agreed that a progress report against the revised audit plan would be provided at the Committee's November meeting. The Head of Policy and Resources also advised that the final Statement of Accounts would be brought to the November Committee. The Corporate Director advised that the report on appointments to Outside Bodies could be provisionally added to the January Committee meeting.
- 25.2 **RESOLVED that:-** The Work Programme be amended to reflect the above changes, and that the Audit and Governance Committee **NOTE** the Work Programme.

26. DATE OF NEXT MEETING

16 November 2020 at 6.30pm

Time of commencement: 6.30 pm hours
Time of conclusion: 7.30 pm hours

Chair