

AUDIT AND GOVERNANCE COMMITTEE

Meeting: Wednesday, 3rd March, 2021
at 2.00 pm. (Virtual Meeting)

Present: Councillors Burns (Chair), Assouad (Vice-Chair), Pemberton and M. A. Thomson.

Officers Present: Susan Roberts (Director of Resources), Keith Jackson (Head of Internal Audit), Debbie Storr (Head of Legal and Governance & Monitoring Officer), John Penfold (Corporate Support Manager), Sharron Rushton (Democratic Services Officer) and Sandra Kemsley (Democratic Services Officer).

Also Present: Gareth Kelly from Grant Thornton.

40 Apologies for Absence/Attendance of Substitute Members

Apologies for absence had been received from Councillors Callister and Shirley.

Councillor Pemberton attended as a substitute for Councillor Shirley.

41 Minutes

The Minutes of the meeting held on 1st October, 2020 were taken as read and confirmed.

42 Public Participation

RESOLVED:- To note that no questions, representations, deputations or petitions had been received in respect of the meeting.

43 2019-2020 Accounts Update

The Director of Resources provided an update relating to the closure of the accounts for 2019-2020.

At the Audit and Governance Committee meeting on 30th July 2020 an update on the 2019-2020 accounts was presented. In summary the normal preparations had begun in March 2020 but the programme then halted due to the redeployment of Internal Audit and the Finance Department to deliver COVID-19 business support grants.

The accounts were closed by 31st August, 2020, which was in line with the COVID-19 extension of statutory dates.

During lockdown and periods in tiered restrictions, resources had been impacted and new ways of working had been sought. The supporting evidence required during the audit was primarily office based and the Finance Department had worked together to assist each other and provide the information requested.

The Finance Department had worked in collaboration with colleagues from Grant Thornton to monitor and progress the audit and that approach had worked effectively.

With reference to the Work Plan, Members may have been anticipating the completion of the audit and reporting to the Audit and Governance Committee before now.

During the time that the audit had taken place it was essential to prepare the proposed budgets and Council Tax for 2021-2022. There had also been involvement in the Local Government Reorganisation project and there was a significant ongoing resource commitment for COVID-19 duties; managing and administering various grants and reliefs.

The auditors understood that at times there were competing demands and had been mindful of this, rescheduling requests as far as possible. The audit process had been helped with regular meetings.

It was expected that the Statement of Accounts and Annual Governance Statement will be presented to the Audit and Governance Committee on 18th March, 2021.

Gareth Kelly from Grant Thornton stated that he was confident that any outstanding items would be completed by 18th March, 2021.

RESOLVED:- To note the 2019-2020 accounts update.

44 Going Concern 2019-2020

The Director of Resources reported that the Council was required to assess and determine that it was appropriate to prepare the financial statements on a going concern basis. The review should take account of all available information about the future, which was at least, but not limited to the next twelve months from the end of the reporting period.

The accounts of the Council for the period 1st April, 2019 to 31st March, 2020 had been prepared on a going concern basis. This basis assumed that the Council would be able to realise its assets and liabilities in the normal course of business and that it would continue in business for the foreseeable future.

Management Team considered the significant factors affecting the going concern assessment and determined that the going concern concept does apply to the Council.

The assessment had been updated during 2020 and the revised going concern assessment for the 2019-2020 accounts was attached as an Appendix to the report.

It was asserted that the going concern concept still applied.

It was moved by Councillor Burns and seconded by Councillor Assouad, and

RESOLVED:- To unanimously agree with the revised Going Concern assessment.

45 Internal Audit Progress Report

The Head of Internal Audit presented the Internal Audit Progress Report for the period 1st April, 2020 to 20th February, 2021.

There had been no Priority One recommendations made since the previous Committee.

The report contained a statistical summary of the number of audit recommendations. It was noted that 10 recommendations had been fully accepted. Each of the recommendations had been assigned a Priority Grade 1-3, 1 being major issues and 3 being minor issues. 3 had been rated Priority 2 and 7 had been rated Priority 3.

The Head of Internal Audit stated that it should be noted that between April and September 2020 Internal Audit had undertaken almost exclusively the process of evaluating and processing Covid-19 Support Grants, which had clearly impacted on the delivery of coverage.

The table below details the number and value of grant applications processed and paid, for each of the different funding schemes:

COVID-19 Grant Scheme	Number of Claims paid	Value paid £	Ineligible applications processed	Total processed
Small Business Retail, Hospitality & Leisure	1,014	11,447,500	186	1,200
Discretionary (Round 1)	61	280,000	93	154
Discretionary (Round 2)	18	77,500	43	61
Total	1,093	11,805,000	322	1,415

The Head of Internal Audit reported that the Fraud Hotline was a well used service and presented the following statistics to Members:-

Fraud Hotline Calls

	Revenues/ Benefit related	Staff Related	Other	Total
2020/21 (April - February)	22	0	22	44
2019/20 (Full year)	32	1	5	38

The Head of Internal Audit also reported that the Public Sector Internal Audit Standards (PSIAs) required Internal Audit to be measured in terms of performance. The indicators below provided information over the arrangements and effectiveness of Internal Audit.

Indicator		2020/21
1	Percentage of Draft reports issued within 10 working days of completion of audit fieldwork.	100%
2	Percentage of Management Responses received within 20 working days of issue of the Draft report.	0%
3	Percentage of Final reports issued within 10 working days of receipt of management response.	100%
4	Percentage of Priority 1 and Priority 2 Recommendations acceptable to the audit client.	100%

RESOLVED:- To note the Internal Audit progress report.

46 Internal Audit Final Reports

The Head of Internal Audit reported that Internal Audit performed audits in accordance with the approved Annual Plan which was based on a risk assessment of the internal control environment. On completion, the final reports were presented to this Committee for consideration.

There had been three final reports appended for consideration, as follows:-

19-06 Cash Floats and Receipting Controls - Substantial Assurance. This report contained two important issues, two minor issues, and five previous recommendations.

19-14 Accounts Receivable - Substantial Assurance. This report contained two minor issues and two previous recommendations.

The Chairman requested the Head of Internal Audit chase up one of the outstanding recommendations as it dated back to April 2015.

19-18 Accounts Payable – Substantial Assurance. This report contained one minor issue and three previous recommendations.

All recommendations had been accepted by management unless otherwise stated.

RESOLVED:- To note the Internal Audit Final reports.

47 Borough and Parish/Town Councillors Registers of Disclosable Pecuniary Interests and Other Registrable Interests

The Monitoring Officer reported that the Audit and Governance Committee was to review the register of disclosable pecuniary interests and other registrable interests for the Borough and Parish/Town Council Members and Co-optees.

Under the Localism Act 2011 Members were required to disclose those disclosable pecuniary interests as specified in regulations and any other interests which the Council had decided should be registered in the interests form.

The Borough Council resolved on 17th July 2012 to adopt the other registrable interests as detailed in the register of interests form, and the Monitoring Officer was required to maintain the register and ensure that it was available for inspection, as required by the Act, which also included being available on the Council's website. When looking at Councillor's details on the website there were links to the register of interests form, and to those of the parish/town councillors.

The Council holds elections every 4 years (last held in May 2019) but following the postponement of casual elections due to the COVID-19 pandemic there had been no new members. All members had been requested to confirm that their registers of interests and gifts and hospitality were up to date.

Guidance had been provided around the Code and Declarations. Training on the Code had been undertaken on 2nd February 2021 and covered interests which needed declaring.

Co-optees on the Housing Management Forum had also completed their interests forms.

RESOLVED:- To note the review of the Registers of Interest, which will become an annual review.

48 Compliments, Customer Feedback and Complaints 2020/21

The Monitoring Officer reported that feedback was very important to help the Council better understand customer's needs and concerns and could help identify possible avenues of service improvement. The report presented an update to Members on the number of complaints and compliments received during 2020/21 (April 2020 - December 2020).

The complaints process had been reviewed a number of times over the years, and whilst the LGO annual report was presented regularly to Members, complaints and compliments generally had not.

It was agreed at the Audit and Governance Committee held on 1st October, 2020 that regular reports would be presented on compliments, customer feedback and complaints. All complaints and compliments were managed and recorded by the Democratic Services Team and quarterly reports were presented to Management Team.

From April 2020 to December 2020 there were 33 Stage 1 complaints received compared to 52 in the previous financial year. The reasons for the complaints were wide and varied and there was no underlying trend in those two years. Appendix 1 showed the complaints received by service area for both Stage 1 and Appeal Stage complaints.

The complaints system had changed in March 2019 from three stages to two stages prior to any referral to the LGO. 82% of complaints received were answered within the 10 working day target for Stage 1 complaints, and 100% were answered within the 20 working day target for Stage 2 complaints. The Team would continue to work with Officers to increase the percentage against the target at Stage 1.

Appendix 1 also showed a more detailed breakdown of the Stage 1 complaints by Department and also by complaint category. The data collated was useful to identify trends and assist with service improvements. No underlying trends had been identified during 2020/21.

During this reporting period 17 compliments were received and noted corporately. Details of service area were shown in Appendix 2. This did not include the visitor comments at the Dock Museum. Service areas had been requested to ensure that any compliments received were logged corporately for future reporting.

RESOLVED:- To note the Compliments, Customer Feedback and Complaints received during 2020/2021.

49 Risk Management Report

The Corporate Support Manager reported that the Operational and Corporate Risk Registers had been submitted to Management Team on 1st February, 2021. During the COVID-19 lockdown period a number of risks had to be assessed and action taken in a short time period. This had been undertaken by the Barrow COVID-19 Strategic Co-ordinating Group and it was not appropriate for them to go through the process defined in the Risk Policy. As we are operating in unprecedented times a copy of the Risk Register would be presented to the Executive Committee on 10th March, 2021.

The Operational and Corporate Risk Registers had been attached as appendices to the report.

RESOLVED:- To agree the Risk Management report.

REFERRED ITEMS

THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

50 Review of Standards Arrangements

The Monitoring Officer reported that the Council had been operating under its existing standards arrangement since 2012. Complaints concerning member conduct to date had been considered under the delegated powers of the Monitoring Officer, and there had been no recent formal investigations which had necessitated a member hearing.

It was appropriate for the Council's Standards Arrangements to be reviewed on a regular basis, and the arrangements had been considered in light of the Best Practice Recommendations arising from the Committee for Standards in Public Life Review of Ethical Standards (January 2019).

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Proposed Standards Arrangements had been attached as an appendix to the report. As drafted they added clarity and detail to the existing arrangements and the Committee was asked to consider and recommend them to full Council for adoption.

The Monitoring Officer also updated on the Local Government Association Model Code of Conduct and advised that the Cumbria Monitoring Officers were undertaking some work to consider a code for County wide adoption.

It was moved by Councillor Assouad and seconded by Councillor Thomson, and

RECOMMENDED:- To unanimously agree to recommend the Council:-

1. To adopt the Council's Standards Arrangements, including formalising arrangements for a Hearings Sub-Committee, as detailed within the arrangements; and
2. To note the Local Government Association Model Code of Conduct and the feedback from the Cumbria Monitoring Officer's meeting.

The meeting closed at 2.40 pm.