

AUDIT AND GOVERNANCE COMMITTEE

Meeting: Thursday, 30th September, 2021
at 2.00 pm. (Banqueting Hall)

Present: Councillors Burns (Chairman), Callister, Nott and Pemberton.

Officers Present: Susan Roberts (Director of Resources), Keith Jackson (Head of Internal Audit), Debbie Storr (Head of Legal and Governance & Monitoring Officer), Katie Pepper (Democratic and Electoral Services Officer) and Paula Westwood (Democratic Services Officer - Member Support).

Also Present: Matt Derrick, Grant Thornton (Minute Nos. 25 - 32 only).

19 Apologies for Absence/Attendance of Substitute Members

An apology for absence had been received from Councillor Hall.

Councillor Pemberton had attended as a substitute for Council Hall for this meeting only.

20 The Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985 and Access to Information (Variation) Order 2006

Discussion arising hereon it was:-

RESOLVED:- That under Section 100A(4) of the Local Government Act 1972 the public and press be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 (Minute No. 32) of Part One of Schedule 12A of the said Act.

21 Minutes

The Minutes of the meeting held on 18th August, 2021 were taken as read and confirmed.

22 Public Participation

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

23 Local Government Ombudsman Annual Report

The Monitoring Officer presented the Local Government Ombudsman (LGO) Annual Review letter 2020/2021. The outcomes of the complaints received had been broken down into total numbers received, complaints decided to undertake an investigation and the number upheld.

During this reporting period the Local Government Ombudsman had made no decisions on cases, in comparison to one decision made in 2019/20, one decision in 2018/19 and no decisions in 2017/18. It had been noted that investigations of the LGO had been impacted by Covid and during March to June 2020 they had not accepted any new complaints and had stopped investigating live cases during the same period, which had reduced the number of complaints decided during this reporting year.

For 2020/21 one compliance outcome with Ombudsman recommendations had been made for the period 1st April, 2020 to 31st March, 2021. The compliance with the Ombudsman recommendations rate for this period was reported as 100%. The annual review findings were also available on the Local Government Ombudsman website.

The one compliance outcome had related to Planning and Development which the Ombudsman was satisfied with compliance.

The Council operated a two stage complaints process before matters were referred to the Local Government Ombudsman.

A copy of the letter and the annual statistics had been attached as appendices to the report for information.

RESOLVED:- To note the Local Government Ombudsman Annual Report 2020/2021.

24 Audit and Governance Committee Work Plan

The Director of Resources reported that the Work Plan sets out the business of the Audit and Governance Committee to provide a forward plan and to demonstrate that the terms of reference were covered.

The work plan was presented to each Audit and Governance Committee meeting to provide a forward plan of business.

The work plan had been attached as an appendix to the report.

RESOLVED:- To note the Work Plan for 2021-2022.

25 External Audit Plan

Matt Derrick from Grant Thornton reported that the External Audit Plan for the year ended 31st March, 2021 was complete and had been attached as an appendix to the report.

RESOLVED:- To note the External Audit Plan for the year ended 31st March, 2021.

26 Review of Standards Arrangements

The Monitoring Officer reported that the Council's Standards Arrangements had been reviewed by this Committee and Council in 2021. Complaints concerning Member conduct to date had been considered under the delegated powers of the Monitoring Officer, there had been no formal investigations which had necessitated a Member Hearing. The Council's Standards Arrangements had been attached as an appendix to the report.

The Monitoring Officer advised that 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. The updated action plan against the Best Practice Recommendations had been attached as an appendix to the report.

Terms of Reference

The Audit and Governance Committee's terms of reference had been revised in June 2020 to take account of Standards Arrangements, this had been attached as an appendix to the report. It had been noted that the terms now included a Hearings Sub-Committee to deal with any hearings required under the Council's Standards Arrangements.

Independent Person

The Monitoring Officer advised the Committee that Stephen Murray's appointment expired on 1st October, 2021 and that new appointments had been made by the Council in February 2021. The Independent Person was now Peter Kuit, with Steve Forster as the Reserve Independent Person. The Council could also call on the assistance of neighbouring Authorities if support was required.

The Code and Guidance

It had been noted that the Member Code of Conduct had been reviewed and the revised version had been adopted by Council in September 2020. The Parish and Town Councils had also adopted the same Code. Following that, in December 2020, the LGA Model Code had been finalised.

The Monitoring Officer advised the Committee that the Cumbrian Monitoring Officers had worked together on the LGA Model Code to make appropriate local amendments. These had been attached as an appendix to the report with tracked changes to make it easier for Members to see where the suggestions had been made. Whilst Members had revised the Code in September 2020 to take account of the Best Practice recommendations, Members were requested to consider the Cumbrian template and whether they wished to recommend this to Council.

RESOLVED:- That the review of standards arrangements be received and to agree that the Monitoring Officer be requested to bring a report to the next meeting with the Cumbria revised Member Code of Conduct and guidance, prior to making recommendations to Full Council.

27 Risk Management

The Director of Resources reported that the Council's Risk Register was submitted to Management Team on a quarterly basis.

The risks highlighted by the Committee at the previous meeting in respect of Climate Change and Local Government Reorganisation had been considered and agreed as additions. It had been noted that Management Team had been happy with the scoring and mitigation controls.

The format of the Risk Register enabled a risk score to be assigned if no action was implemented, and a mitigated impact which reflected the existing control and mitigation – in essence this was a judgment of how much the risk could be managed.

The Risk Management Policy was set by the Executive Committee and included the risk matrix used to determine the risk severity. The risk matrix had been set out in a table within the report.

RESOLVED:- To note Risk Management report and additional risks.

28 Restricted Assurance Monitoring

The Director of Resources reported that at the Audit and Governance meeting on 29th July 2021 the IT Procedures Review audit report had been presented. The report provided an update on the actions flowing from the recommendations.

The audit report concerning IT procedures and documentation had been issued with restricted assurance. There had been two major issues and five important issues identified.

The Director of Resources had retained the services of an IT Expert/Specialist to provide resource and support to the IT Team with projects, strategic advice and to close off the procedural/documentation matters.

The overall IT Security Policy would be presented to the Executive Committee in December 2021 and the sub-policies would have been reviewed to provide a common review point. The report to the Executive Committee would clarify the status of the IT policies, protocols and procedures to ensure that delegations were clear.

The IT Strategy would also be presented to the Executive Committee in December 2021 and that would identify priorities for service delivery, for compliance and for resilience. This was predominately focussed on service based software as the core infrastructure had been updated and enhanced through the IT Agile project.

RESOLVED:- To receive the Restricted Assurance Monitoring report.

29 Borough and Parish/Town Councillor Registers of Disclosable Pecuniary Interests and Other Registrable Interests

The Monitoring Officer reported that under the Localism Act 2011, Members were required to disclose those disposable 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 held elections every four years and there were two new Members following by elections for two vacancies, which had been held on 6th May, 2021. Interest forms from the new Members had been received and 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 and training on the code had been provided to Members in February 2021.

In September 2020 due to the uncertainty of whether Members who received allowances had a DPI in matters coming before the Council, the Monitoring Officer had granted dispensation to all Members of Barrow Borough Council for a period of four years for matters relating to Local Government Reform and Devolution.

RESOLVED:- To note the review of the registers of interests.

30 Employee Register of Gifts and Hospitality

The Monitoring Officer had presented a report to review the register of interests and gifts and hospitality for employees for the period September 2020 to September 2021.

The Officer's code of conduct for Barrow Borough Council Employees provided guidance on interests and gifts and hospitality. The Council had hospitality guidance which provided information as to how employees should treat any offers of gifts and hospitality.

There was a standard corporate form and offers of hospitality that were declined should also be included in any declarations.

The Audit and Governance Committee considered the Council's compliance with its own and other published standards and controls and considered the arrangements for corporate governance and agreeing the necessary actions to ensure compliance with best practice.

The Committee had an overview of the Employee Register and now reviewed on an annual basis.

Management Group had been asked to confirm that the register of interests was up to date. In the last twelve months, no significant gifts or hospitality had been received but those recorded demonstrated that interests were being recorded.

RESOLVED:- To note the report.

31 Internal Audit Final Report

The Head of Internal Audit reported that Internal Audit had 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 one final report appended for consideration, as follows: -

Payroll, 21-13 – Substantial Assurance

The report contained one major issues and three important issues. All recommendations had been accepted by management unless otherwise stated.

RESOLVED:- To note the Internal Audit Final report.

Local Government Act 1972 - Excluded Items

It was moved by Councillor Callister and seconded by Councillor Nott that the meeting moved into Part Two, and

RESOLVED:- That the items to be taken in Part Two of the Agenda be dealt with following the exclusion of the press and the Public.

32 Internal Audit Progress Report

The Head of Internal Audit presented the Internal Audit Progress Report for the period 1st April, 2021 to 17th September, 2021.

The report contained a statistical summary of the number of audit recommendations made up to 17th September, 2021 (11).

It had been noted that 10 recommendations had been fully accepted and one recommendation partly accepted. Each of the recommendations had been assigned a Priority Grade 1-3, 1 being major issues and 3 being minor issues. Eight had been rated Priority 2 and three had been rated Priority 1.

There had been one Priority 1 recommendation since the previous Committee. Having considered the recommendation, the Committee had requested the Monitoring Officer to ensure that the policy was fit for purpose.

RESOLVED:- (i) To note the Internal Audit progress report; and

(ii) To request the Monitoring Officer to undertake a policy review.

The meeting closed at 2.41 pm.