

MEETING:	Audit and Governance Committee
DATE:	Wednesday 18 January 2023
TIME:	2.00 pm
VENUE:	Council Chamber, Barnsley Town Hall

MINUTES

Present Councillors Barnard, Hunt and Richardson together with Independent Members - Ms K Armitage, Mr G Bandy, Mr S Gill (Vice-Chair, in the Chair), Mr P Johnson and Mr S Wragg

59. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of interest from Members in respect of items on the agenda.

60. MINUTES

The minutes of the meeting held on 16 November 2022 were taken as read and signed by the Chair as a correct record.

In relation to Minute 58 'Glassworks Update', the Head of Internal Audit, Anti-Fraud and Assurance informed the Committee that he would obtain updates for Members following today's meeting with regards to the Alhambra Centre and current voids in the Town Centre.

61. LOCAL CODE OF CORPORATE GOVERNANCE

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report on the Local Code of Corporate Governance, a copy of which was detailed within Appendix 1, which had been substantially updated in 2020 and had been approved by the Audit and Governance Committee in July 2020.

The Code had been reviewed and, except for a few minor amendments to reflect a number of name / description changes, continued to reflect the corporate position.

The report, if accepted, would then be published on the Council's website as part of the Council's governance framework.

RESOLVED that the Local Code of Corporate Governance as detailed within Appendix 1 to the report now submitted be approved and published on the Council's website.

62. ANNUAL GOVERNANCE REVIEW PROCESS 2022/23

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report to provide the Committee with an update regarding the Annual Governance Review (AGR) process that had been determined and used to influence and assist in the preparation of the Council's Statutory Annual Governance Statement (AGS) for 2022/23.

It was noted that the Governance and Assurance Framework and the preparation of the AGS were key responsibilities of this Committee and the proposed timescales for the Annual Governance Review Process were outlined within the report.

The timescale for the publication of the Statutory Accounts and the AGS had reverted to the timescales used pre-pandemic with final versions of both documents to be approved and published on the Council's website by the end of September 2023.

RESOLVED:

- i) That the Annual Governance Review Process for 2022/23 be noted.
- ii) That further reports be submitted relating to the Annual Governance Review Process for 2022/23 and on how the Review would be used to inform the development of the Annual Governance Statement.

63. ANNUAL GOVERNANCE STATEMENT - ACTION PLAN UPDATE

A report of the Head of Internal Audit, Anti-Fraud and Assurance was submitted which contained issues identified following the Annual Governance Statement Review (AGR) for 2021/22 and actions carried forward from the previous year's Annual Governance Statement (AGS).

A copy of the Annual Governance Statement Action Plan was attached as Appendix 1 to the report, which had been approved alongside the Annual Governance Statement by the Audit and Governance Committee and Full Council in November 2022.

The Action Plan was used to track the progress of the actions identified as necessary to deal with the issues raised through the AGR process. The Action Plan also provided details of the action required, the lead officer / action officer, anticipated timescales to deliver the actions and the latest update on progress against the actions.

In the ensuing discussion, particular reference was made to the following points:

- In relation to the 'Partnership, Relationship and Collaboration Governance (2020/21)' issue, it was confirmed that the Service Director for Finance was the Corporate Lead for Partnerships and Collaborations. The Corporate Lead was supported by the Monitoring Officer and fellow colleagues.
- The Committee requested that a review takes place to update the status of the timescales contained in the Action Plan and revisions presented at a future Audit and Governance Committee meeting.

RESOLVED

- i) That the report and progress made against each item listed in the Annual Governance Statement Action Plan be noted.

- ii) That the timescales set out in the Annual Governance Statement Action Plan be reviewed and revisions presented at a future meeting of the Audit and Governance Committee.

64. STRATEGIC CONCERNS/RISK REGISTER

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report that introduced the next scheduled strategic risks for the Audit and Governance Committee meeting.

It was noted that the Strategic Risk Register was reviewed by the Senior Management Team (SMT) on 22 November 2022 and continued to contain 15 risks. 5 risks were classified as high (red response rating), 10 risks were classified as medium (amber rating). No risks were classified as low (green rating).

One risk was regraded from high to medium at the SMT risk review meeting in November 2022. This was in relation to the strategic risk regarding Meeting our Statutory Responsibilities under the Care Act 2014.

The Executive Director Place Health and Adult Social Care attended the meeting to provide the Committee with a review of the strategic risk in relation to Meeting our Statutory Responsibilities under the Care Act 2014.

The Executive Director Place Health and Adult Social Care made particular reference to the following:

- Pressures continue for Adult Social Care, both financially and in relation to increased demand and complexity of needs.
- There had been an increase in discharges from hospitals, with high levels of need to be met.
- Actions 1,2, 4 and 5 were RAG rated 'Green' on the Strategic Risk Register and were currently on track due to collaborating and influencing taking place both locally and regionally.
- Actions 6, 7 and 8 were RAG rated 'Amber' on the Strategic Risk Register.
- In relation to Action 6 'Design and development of the right size and quality Care Market in Barnsley', there is currently an overprovision of residential care beds in Barnsley. The Adult Social Care Market Position Statement (available at www.barnsley.gov.uk) describes the priorities to reshape the market and tackle quality.
- With regards to Action 7 'Workforce Capacity' and Action 8 'Development of a Workforce Plan', it was noted that work was taking place jointly with the LGA, Adult Social Care and HR to develop a workforce plan. In addition, there was a Health and Care Workforce Group that brings together the shared priorities for the workforce. The membership of the Group was currently being refreshed.
- In terms of workforce capacity, it was highlighted that this was a current pressure point regarding the availability of the workforce.
- In respect of pay for care staff, the Team are in the process of setting fees for residential care and home care, and they continue to look for pay parity with Band 3 in the NHS for care workers.

- There was currently a large focus from the Homecare Association regarding the level of pay for the care home workforce, due to vast competition in the marketplace for the same workforce. The Committee were keen to understand why this may be.
- In response, it was explained that there were a number of factors, for example, increased economic development and lack of career options. However, pay was still a primary factor.
- Work was taking place to build an alliance of partners to look at recruitment and retention of the workforce. In addition, work had also taken place with the NHS, Job Centres and other parts of the Council to promote jobs in health and social care. Regionally, Barnsley had set the trend to pay above the national minimum wage.
- Assurances were provided to the Committee that there was a strong health and social care system in Barnsley. Relationships had been built with partners to tackle problems with a shared vigour. Nationally, Barnsley is seen as a high performing system on discharges from hospital. There was currently a high level of need when patients were leaving hospital, placing pressure on intermediate Care and Adult Social Care.

Nina Sleight, Service Director Education, Early Start and Prevention, was welcomed to the meeting to discuss the strategic risk relating to Educational Outcomes Progress.

Members were reminded that there had been a significant impact on all aspects of educational delivery due to the Covid 19 pandemic and changes which had taken place over the last 3 years around assessing progress. 2023 was an important year in terms of GCSE examinations and Early Years Foundation Stage assessments.

Congratulations were expressed to the workforce for working together during challenging times when remote learning had taken place. It was noted that Barnsley children had been adversely impacted by the Covid 19 pandemic with regards to their mental health and dealing with bereavements.

Members were informed that Barnsley was above the national average in relation to the Early Years Foundation Stage Phonics assessment. Improvements had been seen across all schools in Barnsley in terms of GCSE results. There was a relenting ambition for schools now and in the future to increase those outcomes.

Via the Barnsley Alliance, all schools in Barnsley were very much focused on pupils and this had continued through the challenges of the pandemic. The Authority were aware where schools need to improve and through the Barnsley Alliance underperformance would be addressed through the structures and frameworks in place.

Focus had been given to developing an overarching SEND Strategy Action Plan and strong governance arrangements were now in place to support this.

There was now a focus on improving children's reading, to which, a programme had been developed to support libraries and family hubs.

In response to a question, assurances were provided that if the Authority had concerns with a school or Academy Trust, then they would be raised with the school and governing body and escalated as required.

RESOLVED that Strategic Risk Register report be noted.

65. REVISION OF CONTRACT PROCEDURAL RULES

The Committee received a report of the Head of Strategic Procurement and Contract Management outlining proposed changes to the Contract Procedure Rules which were unable to be completed in the last revision in 2019 and changes required to ensure compliance with a Procurement Audit of 2020.

The revised Contract Procedure Rules (CPR's), which were appended to the report had been amended to reflect the growing remit and development of procurement within the Council including innovation performed by the Strategic Procurement and Contract Management Team and recommendations in the 2020 Procurement Audit.

The revisions made to the CPR's were detailed in Section 3 of the report. A number of strategic recommendations in key areas were also summarised within the report.

In the ensuing discussion, particular reference was made to the following points:

- A review was currently being undertaken in relation to procurement cards to look at how transactions are being controlled. Reports were now issued to Heads of Service to show spends and to remind directorates that controls needed to be adhered to and complied with. The Procurement Team would continue to track spends and increase reporting in this area.
- Assurances were provided that controls were in place regarding the ability to vary contracts and approvals were sought to increase spends in line with procurement legislation. Any variation to contract would be risk assessed by the Procurement Team.
- In relation to external grant funded procurements, it was confirmed that procurement rules had changed following Brexit. There was still a requirement to undertake certain action when procuring goods and services in the EU market. Assurances were provided that UK Procurement Rules were adhered to when procurements were being led by the Council's Category Managers.
- The Committee noted that phase 3 of the Procurement Team's development work was to establish a methodology, policy and guidance note to support the Contract Procedure Rules. In view of this, the Committee agreed to defer the report to the March meeting to allow officers to undertake further work in this area.
- The Committee asked that the Zero Carbon reduction target for Barnsley be amended in the report.

RESOLVED

- i) That the report be deferred to the March meeting to allow officers to develop a methodology, policy and guidance note to support the Contract Procedure Rules.

- ii) That the Zero Carbon reduction target for Barnsley be amended in the Contract Procedure Rules.

66. BARNSELY COUNCIL'S EMPLOYEE SICKNESS ABSENCE AND PERFORMANCE MANAGEMENT FOR 2021 - 2022

The Service Director – Business Improvement, Human Resources and Communications submitted a report to provide the Committee with an update on the Council's sickness absence and performance management for the financial year 2021 – 2022 and to provide a comparison to the financial year 2020 - 2021.

Furthermore, the report also provided assurance to the Committee that the Council's mitigating actions and improvements are either in place or being developed to support the health and wellbeing of its employees, reduce sickness absence levels and support effective performance management.

The key highlights of the report were noted as:

- The Council's performance target for 2021- 2022 was an average of no more than 7.5 days sickness absence per employee, per year.
- In the financial year 2021-2022, the average total days lost per employee was 10.24 days. This was an increase of 2.74 days lost per employee from 2020 – 2021 (7.77). This figure included absences due to Covid-19, which, along with Mental Health were the two main reasons for absence in 2021- 2022.
- The Council's performance target for the completion of Performance and Development Reviews (PDR) for 2021-2022 was 95%. As at the end of the 2021-2022 year, the completion rate was 84.7%, an increase of 2.2% compared to the previous year (82.5%).

The report then went on to outline:

- The ways in which the Council are managing sickness absence via the use of absence management dashboards.
- The way in which managers can refer employees to the Occupational Health Unit for support if they are absent to due mental health reasons from day one of their absence rather than waiting for four weeks.
- The support available to employees' wellbeing via the Employee Assistance Programme.
- Details in relation to changing the culture of the organisation following people's working practices and the impact of working from home during the pandemic.
- The various health and wellbeing initiatives being implemented to support employees.
- The Council's future plans to continue to identify and implement actions that support employee health and wellbeing.

The following discussion ensued:

- The Committee queried why sickness absence rates for public sector workers had been consistently higher than those for private-sector workers.

- In response, it was highlighted that sickness absence rates did vary across sectors and the public sector was generally higher, than the private sector. The Council's policy was around early intervention, especially in relation to mental health issues to help employees. Prompt action was also being taken by Managers and HR Business Partners to address long-term sicknesses absences with absence management a priority in directorate management meetings.
- Concerns were expressed by the Committee in relation to the number of mental health related absences and queried what action was being taken to help address this.
- It was confirmed that support and direct intervention was available for managers from HR Business Partners and Mental Health First Aiders around mental health issues.
- The Committee received assurances that the Occupational Health Unit had the capacity to be able to deal with any mental health referrals quickly and sufficiently.
- The Committee noted that there could potentially be under reporting of sickness absences due to the ability of employees being able to work from home when they have symptoms of colds or coughs. Managers were reminded to accurately and quickly report sickness absences to ensure the data remains accurate.
- In response to a request for information, Phil Quinn, Head of Service HR and OD, agreed to provide the Committee with the Council's sickness absence rate for the last 9 months.
- It was questioned why the Children's directorate had the greatest number of sickness absences during the financial year 2021/22.
- In response, it was noted that the Council had been unable to fill vacant Social Work posts, which had led to higher caseloads for existing Social Workers, which had impacted upon existing staff. A range of recruitment and retention interventions were now in place and continue to be worked on to help address this issue.
- In relation to the financial cost of sickness absences, it was confirmed that costs were calculated on average salaries across the Council.

RESOLVED

- i) That the report be received.
- ii) That the Committee be provided with the Council's sickness absence rate for the last 9 months.

67. CIVIL CONTINGENCIES 2021/22

The Committee received a report, presented by Simon Dobby, Head of Corporate Health, Safety and Emergency Resilience, which provided an overview of the emergency response undertaken by Council during 2021/22 as required by the Civil Contingencies Act 2004.

RESOLVED that the report be received.

68. BUSINESS IMPROVEMENT, HUMAN RESOURCES AND COMMUNICATIONS UPDATE REPORT FOR PERFORMANCE MANAGEMENT AND EQUALITY AND INCLUSION

The Service Director Business Improvement, Human Resources and Communications submitted a report giving an overview of the functions of the Business Improvement, Human Resources and Communications Business Unit.

The report also provided an update regarding progress made against the assurance programme in the areas of Performance Management and Equality and Inclusion.

Shokat Lal, Executive Director – Core Services, provided the Committee with an overview of the Performance Management arrangements in place across the organisation. In summary, the Committee noted that the Council's Performance report was produced on a quarterly basis to provide an overview of the Council's latest performance, from information available for each quarter and to illustrate progress achieved in delivering the priorities and outcomes of the Corporate Plan 2021-24.

Assurances were provided to the Committee that the Plan was scrutinised at directorate management meetings and by the Council's Senior Management Team prior to it being shared with Cabinet and then publicly released.

In addition, Directorate Performance Frameworks were also developed and monitored to track progress against the Council Plan priorities at a service level and shared with the respective Cabinet Member.

Phil Quinn, Head of Service HR and OD, then provided the Committee with a progress update regarding Equality and Inclusion to demonstrate the Council's compliance with the public sector Equality Duty (section 149 of the Equality Act 2010).

The key highlights of the report were noted as:

- During 2021/22, the Equality and Inclusion Team had supported 241 full Equality Impact Assessments (EIA's) and EIA screening across all directorates.
- In 2021, new Equality Objectives were set, and some examples were detailed within the report to demonstrate how the Council were meeting the objectives. The Equality Objectives were based on five of the outcomes within the Council Plan 2021-24.
- A wellbeing calendar had recently been developed to enable the Authority to celebrate key equality, diversity, and inclusion events throughout the year to promote inclusion and raise awareness of key issues with the workforce and with members of the community.

RESOLVED that the report be received.

69. EXTERNAL AUDIT PROGRESS REPORT UPDATE

Gareth Mills (representing the External Auditor) was welcomed to the meeting virtually, and made particular reference to the following:

- The ISA 260 Report had been issued and presented to Full Council on 24 November 2022.
- The Audit of the 2021/22 Accounts had now been completed with the exception of a national issue regarding Accounting for Infrastructure Assets.
- A Statutory Instrument on Accounting for Infrastructure Assets had been issued as a final document on 25 December 2022.
- During early January, External Audit colleagues had been finalising work on this area with the Council's Finance Team, with the expectation that the External Auditor would be signing off the Audit Opinion on the 2021/22 Accounts by 20 January 2022.
- Thanks were extended to the Service Director Finance and his Team for their commitment and engagement in the process.
- Work was currently underway in relation to the Value for Money Auditor's Annual Report, which was expected to be completed in February. The findings would be presented at the meeting on 15 March 2022.

In the ensuing discussion particular reference was made to the following points:

- Confirmation was received that no changes had been made to the value of the Infrastructure Assets in the Council's balance sheet, following the publication of the Statutory Instrument on Accounting for Infrastructure Assets. There would be some changes made to the Fixed Asset Disclosure Note set out in the Accounts. There was no impact to key primary documents.
- Following a request from the Committee, Steve Loach, Head of Corporate Finance and Business Partnering agreed to provide the Committee with a copy of the Fixed Asset Disclosure Note, following today's meeting setting out the changes made.
- Confirmation was received that the 2022/23 Audit would be the final year of the existing PSAA (Public Sector Audit Appointments) contract for Grant Thornton. Furthermore, as required by the Ethical Standards for Auditors it would be Gareth Mill's fifth and final year for him to act as the Engagement Lead for the Authority. A process to identify a new Audit Engagement Lead for the Council would be held towards the end of 2023.

RESOLVED

- i) That the verbal update be noted.
- ii) That the Committee be provided with a copy of the Fixed Asset Disclosure Note setting out the changes made.

70. REVISED CIPFA GUIDANCE FOR AUDIT COMMITTEES IN LOCAL GOVERNMENT

The Head of Internal Audit, Anti-Fraud and Assurance introduced a report which informed the Committee that the Chartered Institute of Public Finance and Accountancy (CIPFA) had recently published their updated guidance for Audit Committees in Local Government.

The Committee noted that it was therefore appropriate to re-assess the Council's arrangements against the revised guidance to identify and consider if any changes or improvements are appropriate.

A self-assessment had been undertaken to identify areas for change and/or improvement. Section 4 of the report detailed the key issues arising from the self-assessment. It was confirmed that the Council's arrangements were significantly aligned and meet the revised guidance and, in some areas, exceed it.

The Committee were invited to consider the guidance and discuss areas of possible improvement or change. Any suggested changes that would impact on the Committee's terms of reference would be considered at the next meeting in March for referral to the Annual Full Council in May.

The Head of Internal Audit, Anti-Fraud and Assurance thanked Mr Johnson for the suggestions he had submitted by email. It was noted that consideration would be given to the suggestions in relation to obtaining assurances around the work being undertaken by the Overview and Scrutiny Committee.

The Committee supported the proposals outlined in section 4 of the report and noted that a further update on the proposed changes would be presented at the March meeting.

RESOLVED:

- i) That the Committee considered the revised CIPFA Guidance, the initial self-assessment and agreed where the Council's Audit Committee arrangements should be reviewed.
- ii) That the Committee agreed to receive proposals for any changes at the next meeting.

71. WORK PROGRAMME AND WORK PROGRAMME REPORT

The Corporate Governance and Assurance Manager submitted a report which detailed the updates to the 2022-23 work programme, with the work programme appended.

The Committee were informed that the 26th April 2023 meeting had now been re-scheduled to 31st May 2023 to accommodate the new timetable for consideration of the draft Accounts and draft Annual Governance Statement for 2022/23.

Steve Loach, Head of Corporate Finance and Business Partnering advised the Committee that a consultation was currently on-going in respect of the statutory audit deadlines for the 2022/23 Accounts. He agreed to provide a further update at the March meeting regarding the timetable for the External Audit of the Council's 2022/23 Accounts.

It was noted that the Financial Regulations had been deferred to the next meeting – 15th March 2023.

RESOLVED

- i) That the updated work plan be noted.
- ii) That an update be provided at the March meeting in relation to the timetable for the External Audit of the Council's 2022/23 Accounts.

72. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that the public and press be excluded from this meeting during the consideration of the following item because of the likely disclosure of exempt information as defined by Paragraph 7 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

73. INTERNAL AUDIT PLANNING CONSULTATION REPORT FOR 2023/24

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report outlining the annual audit planning process and to consult the Committee with regard to potential projects for inclusion in the draft Internal Audit Plan for 2023/24.

A key part of the audit planning process was to ensure sufficient overall coverage was provided across the Council to enable the Head of Internal Audit to give an annual opinion on the effectiveness of the Council's control, risk and governance arrangements. In addition, and where possible, capacity would be provided for advisory support to management. A detailed 5-year Plan was used for the discussions with Business Units and SMT, covering work undertaken in 2020/21 and 2021/22, the work currently included in the 2022/23 Plan and a look ahead at potential coverage for 2023/24 and 2024/25 to assist in the consideration of possible areas for audit coverage.

The Committee were invited to forward any further nominations for potential inclusion in the 2023/24 Internal Audit Plan to the Head of Internal Audit, Anti-Fraud and Assurance at their earliest opportunity.

RESOLVED:

- i) That Members noted the report and considered potential projects for consideration in the Internal Audit Plan for 2023/24.
- ii) That Members of the Committee pass any further nominations for inclusion in the 2023/24 Internal Audit Plan to the Head of Internal Audit, Anti-Fraud and Assurance.
- iii) That the Committee is satisfied that the planning process is sufficiently robust that it will determine a value-adding Audit Plan, informed by risk and through consultation with appropriate senior management.
- iv) That the professional responsibility of the Head of Internal Audit to ultimately determine the Plan of audit work be acknowledged.

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Chair