

<b>MEETING:</b>	Audit and Governance Committee
<b>DATE:</b>	Wednesday 24 January 2024
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Council Chamber, Barnsley Town Hall

## MINUTES

**Present** Councillors Lofts (Chair), Barnard and Richardson together with Independent Members – Dr R Adams, Ms K Armitage, Mr G Bandy, Mr P Johnson and Mr S Wragg

### 66. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

### 67. MINUTES

The minutes of the meeting held on the 15 November 2023 were taken as read and signed by the Chair as a correct record.

### 68. COMMITTEE EFFECTIVENESS REVIEW

The Head of Corporate Assurance submitted a report presenting the review of the effectiveness of the Committee.

The report highlighted the proposed actions to improve the effectiveness of the Committee following the review undertaken in October 2023. Such an exercise was recommended in CIPFAs guidance on audit committees.

An improvement action plan was attached at appendix A which contained a small number of actions which would be launched from the March Committee onwards.

It was noted that the new Corporate Assurance Team presented at a recent Cabinet meeting which was well received.

**RESOLVED** that the Committee considered the proposed actions to support the continuous improvement of the Committee's effectiveness and receive appropriate progress reports in due course.

### 69. LOCAL CODE OF CORPORATE GOVERNANCE

The Head of Corporate Assurance submitted a report presenting the draft Local Code of Corporate Governance.

There was no legal or statutory requirement for the Council to produce a Local Code of Corporate Governance however it remained best practice.

The code was substantially updated in 2020 and was approved by the Audit and Governance Committee in July 2020. The Code had been reviewed and continued to reflect the corporate position.

Member discussion arose regarding how organisations behave when things go wrong and whether this could be reflected in the Local Code of Corporate Governance. It was agreed that the wording of the code would be reworked to reflect this and re-circulated outside of the Committee to Members.

**RESOLVED:**

- (i) That the Committee considered the Local Code of Corporate Governance
- (ii) That the report be recommended for approval and publication on the Council's website (subject to the amendments noted above).

**70. ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE**

The Head of Corporate Assurance submitted a report presenting the Annual Governance Statement Action Plan Update.

The report provided the Committee with an update regarding the proposed Annual Governance Review (AGR) process that would be used to influence and assist in the preparation of the Council's Statutory Annual Governance Statement (AGS) for 2023/24. The consideration of the Council's governance and assurance framework and the preparation of the AGS were key responsibilities of the Committee.

Member discussion arose regarding actions that were included from previous financial years. It was noted that some actions were dependent on external inspectorates such as OFSTED completing a full inspection of Children's Services. External Audit has assessed the SEND action in the Value for Money (VFM) reporting in which they had assessed the Council's evidence and formed a view that the action should be downgraded from a key recommendation. This was subject to an internal Grant Thornton consistency panel in which external audit were satisfied with the progress to date.

It was noted that the format could be changed to include an extra column which provided detail on the progress made so far in completing the actions identified.

**RESOLVED** that the Committee noted the report and progress made against each item listed in the Action Plan.

**71. ANNUAL GOVERNANCE REVIEW PROCESS**

The Head of Corporate 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 2023/24.

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

The process would be informed by input from the Governance and Ethics Board into the AGR process, timescales, approval of draft questionnaires and sources of assurance.

The timescales met the statutory deadlines for the publication of the Statutory Accounts and the AGS by 30th September 2024.

Member discussion arose regarding the Governance and Ethics Board and its terms of reference. It was noted that the Board was established a year ago and was designed to be an internal consultation body. The membership of the Board consisted of officers who were responsible for governance in their directorates.

**RESOLVED** that Members:

- (i) Considered the proposed Annual Governance Review Process for 2023/24
- (ii) Receive further reports relating to the Annual Governance Review Process for 2023/24 and how the Review will be used to inform the development of the Annual Governance Statement.

## **72. STRATEGIC RISK REGISTER**

The Head of Corporate Assurance submitted a report that provided an update to the Committee on the current thirteen strategic risks and introduced the next scheduled strategic risks for the Audit and Governance Committee meeting.

Members were informed that when reviewing the Audit and Governance Committee work programme it was noted that the Committee had not received a full update report on the strategic risks for some time. Therefore, this report provided detail on all strategic risks with a further deep dive on Threat of Fraud/Cyber and Collaboration and Partnership Governance.

It was noted that the Strategic Risk Register was reviewed by the Senior Management Team (SMT) on 5 September 2023 and continued to contain thirteen risks. Three risks were classified as high (red response rating), ten risks were classified as medium (amber rating). No risks were classified as low (green rating).

In regard to the Threat of Fraud/Cyber strategic risk, the following key points were highlighted:

- There was a need to recognise the increasing and constant threat of fraud against the Council. This threat also included the possibility of a cyber enabled fraud attack being perpetrated against the Council.
- Action One (rag rating complete) – a specific annual fraud vulnerability questionnaire had been completed by each Business Unit.
- Action Two (rag rating green) – POD training had been reviewed to ensure practical guidance and training was available for all employees.
- Action Three (rag rating amber) – there was a need to develop POD training for specific roles where the risk of fraud is greatest.

- Action Four (rag rating amber) - A communication plan / strategy to ensure important messages are publicised across the Council and in the press as appropriate was currently being developed.
- Action Five (rag rating green) - SMT and the Information Governance Board had been provided with updates regarding the latest cyber threats and assurances regarding the technical measures in place and their effectiveness.
- Action Six (rag rating amber) – the Council had developed a Cyber Recovery Plan, and this was evaluated as part of a cyber exercise in early December 2023. A meeting was planned in February 2024 to review the plan, based on feedback from the exercise, and then further desktop internal testing within IT would be undertaken to assess the updated plan.

In regard to Partnership and Collaboration Governance, the following key points were highlighted:

- Many public services were delivered through partnerships or collaboration as well as emerging devolution arrangements. These must be robust, well governed but flexible and responsive to ensure objectives are met.
- Key partnerships of the Council included Berneslai Homes, the Integrated Care Partnership Board and Barnsley FC.
- Action one (rag rated green) – the Council had developed a corporate framework and guidance to support partnership and collaborative working.
- Action two (rag rating amber) - assurance was required regarding the arrangements in place for each partnership and collaboration covering matters such as the make-up of boards and their supporting governance.
- Action three (rag rating complete) - financial monitoring and reporting for Boards and Partnerships was included in the quarterly budget management process for DMT's/BU's.
- Action four (rag rating amber) – there was a need to ensure the new framework for the management and governance of partnerships and collaborations was woven into the annual governance review process.

Discussion arose regarding the risk in regard to cyber, it was noted that the Council were moving to the cloud-based system which provided better resilience, and the supplier would use partitions to further reduce risk.

It was also suggested by Members that the Risk of Fraud / Cyber be separated into 2 risks. The Head of Corporate Assurance agreed to discuss this with SMT at its meeting in February.

In discussions regarding Partnership and Collaborative Governance, it was noted that the Council ensured a rigorous contract management process with account managers routinely reviewing service level agreements.

**RESOLVED** that the Committee noted the current thirteen strategic risks and the updates from the two risks presented at the meeting.

### 73. CORPORATE ASSURANCE PLANNING CONSULTATION

The Head of Corporate Assurance submitted a report that set out the annual corporate assurance planning process.

The Audit and Governance Committee was requested to consider key risk and areas of concern where they feel Corporate Assurance coverage may be appropriate.

An indicative Plan would be prepared for consideration by the Committee at the March meeting with any revisions and changes to the Plan being incorporated into the quarterly Progress reports.

Discussion arose regarding planning assurance. It was noted that the Corporate Assurance team are currently consulting with the Growth and Sustainability directorate regarding the 2024-25 plan. Sometimes areas aren't included in the plan due to prioritisation of resources and the outcome of research i.e. risks, management assurance, other sources of assurance e.g. peer reviews or external inspections where a regulated service etc.

**RESOLVED** that:

- (i) Members noted the report and considered potential projects for consideration in the Corporate Assurance Annual Plan for 2024/25;
- (ii) Members should pass nominations for the 2024/25 Corporate Assurance Plan through the Chair for notification to the Head of Corporate Assurance;
- (iii) Members considered the proposed planning process and be satisfied that it is sufficiently robust that it will determine a value-adding assurance plan, informed by risk and through consultation with appropriate senior management; and;
- (iv) Members acknowledged the professional responsibility of the Head of Corporate Assurance (Head of Internal Audit) to ultimately determine the plan of assurance work.

#### **74. AUDITOR'S ANNUAL REPORT ON 2022/23 VFM ARRANGEMENTS**

Gareth Mills, representing the External Auditor, submitted the Auditor's Annual Report on 2022/23 Value for Money (VFM) arrangements.

Particular reference was made to the following:

- This was the third year that External Audit were required to assess the Council's VFM arrangements in particular detail.
- External Audit had downgraded the significant weakness in the Council's SEND arrangements from a key recommendation to an improvement recommendation due to the continuing progress made by the Council in this area.
- No areas of significant weakness had been identified which represented a good outcome for the Council.
- Like most Local Authorities, the Council continued to experience an increased demand for services within the context of a challenging financial climate.
- The Council had won two prestigious awards and such accolades from independent organisations provided significant recognition for the Council.

•External Audit raised two improvement recommendations. The first one was around presenting the latest and full Strategic Risk Register to the Audit and Governance Committee (which had happened in this meeting). The second recommendation was to separate the key roles of Head of Internal Audit and Data Protection Officer to eliminate any potential conflicts of interest.

Discussion arose regarding the Council's Asset Strategy. This was a key tenet of the Council's Medium Term Financial Plan and looked at running costs as well as asset disposal. Any asset disposal would result in capital receipts which would be used to reduce debt levels.

Member discussion took place regarding governance and decision making at other Local Authorities and at a national level. Members were informed that section 114 notices tended to be issued at Authorities where debt had been managed poorly including having no plan to pay back borrowing and investing in volatile commercial income schemes. At Barnsley, any significant plans were discussed with External Audit to ensure appropriate governance frameworks were in place.

It was noted that £56.6m of Lender Option Borrower Option (LOBOs) were repaid in Q2 2022-24. LOBOs were potentially volatile to interest rate fluctuations therefore repaying them had reduced the Council's exposure in this area.

**RESOLVED** that the Committee note the report.

## **75. EXTERNAL AUDIT UPDATE**

Gareth Mills provided the Committee with a verbal External Audit update.

The Value for Money work had been completed and the audit certificate would be issued shortly which meant that the audit for 2022/23 was now completed.

The Committee was informed that Gareth's successor would continue the audit work and would be attending the March Committee meeting. The Committee thanked Gareth for his engagement and work over the past five years.

**RESOLVED** that the update be noted.

## **76. COMMITTEE WORK PROGRAMME 2023-24**

The Head of Corporate Assurance submitted the Committee Work Programme 2023-24.

The work plan had been updated to reflect the new Corporate Assurance Team that replaces Internal Audit, Anti-Fraud and Assurance.

The two strategic risks to be considered in each future Committee meeting had been amended to ensure that the lead Executive Director can attend the meeting in person.

Members were invited to share ideas regarding training sessions, with the training session regarding the constitution to be scheduled shortly.

**RESOLVED** that the Committee note the updated work plan.

**77. EXCLUSION OF THE PUBLIC AND PRESS**

**RESOLVED** that the public and press be excluded from this meeting during the consideration of the following item in view of the likely disclosure of exempt information as defined by Paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

**78. SPECIAL EDUCATIONAL NEEDS PERFORMANCE AND FINANCE REPORT  
QUARTER 2 2023/24**

The Executive Director – Children’s Services submitted the SEND Quarter 2 Performance and Finance Report.

N Sleight attended to present the report.

Two engagement events had now been held, bringing together representatives from parent/carer groups across Barnsley. Eight groups participated in the codesign and co-production of a consortium model.

There had been twenty-three whole school audits conducted in the previous academic year in both Primary and Secondary settings. SEND improvement Officers were now collaborating with the schools to deliver training relating to the needs of the schools and nine more audits took place in the Autumn term.

**RESOLVED** that the update be noted.

.....  
Chair