

<b>MEETING:</b>	Audit and Governance Committee
<b>DATE:</b>	Wednesday, 2 December 2020
<b>TIME:</b>	4.00 pm
<b>VENUE:</b>	THIS MEETING WILL BE HELD VIRTUALLY

## MINUTES

**Present** Councillors Lofts (Chair), Barnard, P. Birkinshaw and Richardson together with Independent Members - Ms K Armitage, Ms D Brown, Mr S Gill, Mr P Johnson and Mr M Marks

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

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

### 9. MINUTES

The minutes of the meeting held on the 28<sup>th</sup> October, 2020 were taken as read and signed by the Chair as a correct record.

Written responses to questions arising from the Minutes by Members of the Committee were provided as follows:

- In response to questioning it was reported that Grant Thornton were subject to 6 Financial Reporting Council (FRC) reviews across their NHS and Local Government client base in 2018/19. Of those, 5 had been rated at '2b'. It should be noted that these 6 audits only represented a small proportion of their NHS and Local Government client base (where they had 33% and 45% of the external market respectively) and by the FRC's admission, they selected the higher risk audits. None of the 6 files reviewed were in Yorkshire.

Clearly the results of these reviews were not the outcomes that Grant Thornton were looking for. The FRC's principal finding with the files was in relation to the level of audit work performed and challenge to clients and their valuers in respect of the valuation of PPE (Property, Plant and Equipment) (fixed assets). Grant Thornton had discussed at previous Committee meetings the FRC's focus on this area of public sector accounts.

In response to the findings, for the 2019/20 audits they had engaged their own 'auditor's expert' (Wilks Head Eve LLP) to enhance and augment their work on the valuation of PPE, using them to consider assumptions and judgements used by their clients and their valuers.

In relation to the Council an assurance was given that Grant Thornton had performed a comprehensive and robust review of the PPE balance as part of the 2019/20 audit. They had performed extensive testing of PPE valuations, vigorously challenging both the Finance Team and the Council's valuer to justify their valuations of PPE.

It was hoped that the actions taken in their 2019/20 audits were acknowledged by the FRC in their review of the 2019/20 audit files which would take place in 2021.

- It was noted that Grant Thornton had signed their opinion on Monday 30<sup>th</sup> November, 2020, which followed their presentation to full Council on the 26<sup>th</sup> November, 2020. The opinion was an unqualified 'clean' opinion on the accounts with emphasis of matter paragraphs on the valuation of PPE and the Council's share of the Pension Fund assets – both as a result of Covid-19. The Value for Money conclusion had also been unqualified
- The National Audit Office revised audit code for Value for Money work was to be effective from the 2020/21 audits. There would be a minimum level of work to be performed across 3 areas (financial position, governance and agreements to secure Efficiency, Economy and Effectiveness). There would be a separate report produced by the auditors summarising the VFM work. It proposed that the External Auditors would summarise the new approach to the Audit and Governance Committee in the New Year
- It was also proposed that Grant Thornton would contribute to a future Audit and Governance Workshop on the findings from their public interest report findings at both Nottingham City Council and the London Borough of Croydon in terms of the lessons to learn/red flags that resulted in the circumstances at these two councils
- It was noted that the contract with NPS Barnsley Ltd would terminate on the 31<sup>st</sup> March, 2021. The contract with NORSE would terminate on the 31<sup>st</sup> July, 2021

## **10. LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL LETTER 2020 - REVIEW REPORT**

Further to Minute No 82 of the meeting held on the 16<sup>th</sup> September, 2020, the Executive Director Core Services submitted a report presenting the findings of a review following the receipt of the Local Government and Social Care Ombudsman's (LGSCO) Annual Review Letter. The letter from the Ombudsman and proposed Action Plan detailing the service improvements to address the issues identified were appended to the report.

The report, which was presented by the Executive Director and Mrs K Liddall, Head of Programmes, Projects, Feedback and Improvement outlined in some detail the following:

- The background to the work of the LGSCO and the role and responsibility of the Council in responding to complaints received
- The detailed findings of the Ombudsman's Letter. It was noted that 57% of complaints investigated were upheld compared to an average of 67% in similar authorities; 100% of the Ombudsman's recommendations had been implemented; and 25% of upheld complaints had been found to be satisfactorily remedied prior to the escalation to the Ombudsman compared to an average of 11% in similar authorities
- The failure to respond to and implement the LGSCO recommendations in a timely manner was disappointing. The reasons for this were outlined and the difficulties encountered particularly in relation to complex cases were referred

to. It was important, however, to ensure that timely responses were provided and, therefore, an immediate and fundamental review of processes and procedures had been initiated which had been supported by the Data Protection Officer.

- Of the 54 complaints received, only 8 cases were upheld, 2 of which required no further action. A 'deep dive' into the remaining 6 cases had, however, identified delays and failings in service delivery
- The reasons for the review, the way in which this had been undertaken and a precis of the issues identified were outlined
- In accordance with the remit of this Committee as outlined within the Terms of Reference 'to consider any payments in excess of £2000 or provide other benefits in cases of maladministration by the authority within the scope of Section 92 of the Local Government Act 2000' it was noted that one payment had been made in excess of this amount following a recommendation of the Ombudsman which related to the provision of Special Educational Needs and Support
- An explanation was provided of the improvements in processes and procedures proposed as outlined within the Action Plan. Reference was made to the introduction of a new SharePoint online system to effectively track and manage the end to end customer journey (including both Ombudsman complaints, other Information Requests and Subject Access Requests), the development and publication of directorate complaint management dashboards and the development of a robust communication plan to strengthen messages around the issue of delays and the need to respond quickly and appropriately in accordance with agreed timescales

In the ensuing discussion the following matters were raised:

- Reference was made to the receipt of inappropriate and vexatious complaints and to how these were dealt with. It was noted, however, that the vast majority of complaints received were valid and required investigation
- Whilst delays in responding to the Ombudsman was disappointing it was pleasing to note that out of that had come a system that would provide a better response for the public

Written responses to questions asked by members of the Committee were provided as follows:

- It was noted that comparable data showing how previous LGSCO cases had been handled compared to those actioned in 2020/21 could be provided to the Committee. It was hoped that comparisons in future would demonstrate the effectiveness of the service/system improvements and further evidence how delays would not be tolerated
- Mitigation/reasoning for delays in implementing recommendations varied across differing Services, however, the majority focused on the lack of resources available to respond to LGSCO enquiries. In some service areas, a high turn over of staff and agency workers had contributed to the problem. This in turn had contributed to a lack of ownership and the timely implementation of recommendations. This, however, had been addressed with the appointment of permanent resources to field such enquiries in the areas concerned

- In relation to comparisons to previous years and to the first 6 months of this year, it was reported that the Council had received 41 contacts from the Ombudsman's Office in 2018/19 which was an increase from the previous years reported position (33). Four of these contacts originated from the Housing Ombudsman Serviced (HOS) and 37 from the LGSCO. Twenty-four of these required the Ombudsman to undertake a formal investigation. Improvements to service delivery were recommended in respect of 6 cases (14%).

Whilst there had been an increase in the number of LGSCO cases received, delays in the timely completion of recommendations was two-fold. The lack of resources available to action LGSCO recommendations contributed to this issue, however, significant fault rested with the Customer Feedback Information Team which delayed in circulating LGSCO final decision reports/recommendations with the services concerned.

Lessons had been learned and all LGSCO complaints were now tracked and managed through the new SharePoint Online system.

Delays in the first 6 months of this year had occurred. The LGSCO review report captured cases up to and including March 2020 and mitigation measures implemented. Also, the Customer Feedback Information Team Service had been suspended from mid March to mid June in order to respond to the Covid-19 pandemic. The LGSCO had been notified and was supportive of this approach. The LGSCO had agreed to place all cases on hold until the Service was reinstated.

Following the receipt of the LGSCO Letter and implementation of the new tracking and management system, there had been no delays to service delivery

- It was suggested that given that there had been issues about the timely manner in which responses had been made to the LGSCO and also previously issues in relation to internal audit queries/recommendations, that an appropriate reminder should be issued on this issue at some time in the future

#### **RESOLVED:**

- (i) That the report and letter of the LGSCO be received and the contents noted; and
- (ii) That the findings from the fundamental review of corporate processes and the introduction of new systems to ensure a higher level of compliance in response to the LGSCO's letter be noted and supported.

#### **11. INTERNAL AUDIT PROGRESS REPORT 2020/21**

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report providing a summary of the Internal Audit activity completed, and the key issues arising from it, for the period 1<sup>st</sup> July to 15<sup>th</sup> November, 2020 and providing information regarding the performance of the Internal Audit function during that period.

The report, which was presented by Mrs S Bradley (Audit Manager), outlined:

- The progress of the Internal Audit Plan delivery up to the 15<sup>th</sup> November, 2020 analysed by the number of plan assignments producing a report and the audit days delivered by Directorate/Service. It was reported that 68% of the Internal Audit and Corporate Anti Fraud plans had been delivered. Including the external clients, the assurance work and the DPO role, 59% of the planned work had been delivered to date
- The increase in the number of Corporate Directorate Days was as a result of redeployment of staff to support other services during the Covid pandemic. That currently stood at 32 days for Internal Audit and 75 days for the Corporate Anti-Fraud Team.
- The increase in the number of days allocated to the Core Directorate was because that included all unplanned Covid 19 related assurance work that covered assurance activity across all Directorates
- There was a variance of 5 assignments completed against those planned due to the draft reports not yet being discussed and agreed with management although meetings had been scheduled. A total of 20 final reports had been issued during the period (of which 16 related to Covid-19) with 4 being issued in the previous reporting period. No major or significant issues had been identified as a result of these reviews
- Work undertaken in relation to the Covid-19 emergency funding which had resulted in a positive assurance opinion acknowledging that, at that time, the funding was being allocated quickly to support social care, businesses etc. and processes were still being developed
- The sample testing of expenditure (SAP and procurement cards) gave assurance that the moratorium was being complied with
- A number of audits had been deferred, added to or deleted from the Audit Plan following DMT meetings, to ensure that Internal Audit resources continued to focus on priority areas (i.e. the impact of Covid 19 had resulted in more Plan changes than previous years)
- The 20 reports finalised during the period were available upon request. A summary of assurances and the number and categorisation of recommendations included in the reports was outlined
- No audit reports had been issued during the period that had a limited or no assurance or negative opinion
- Details were provided of the outcome of other Internal Audit Activities concluded not producing a specific assurance opinion
- Information was provided about other Internal Audit work undertaken together with a summary of the current states of all planned work
- Information was provided on the following up of Internal Audit Report agreed management actions together with a summary of work in progress. Information on the status of those management actions by directorate/maintained schools due for completion was provided. It was reported that there were no concerns in relation to this and any changes/delays in timescales were understandably around the pressures of Covid-19 or other priorities
- Details of Internal Audit performance against Performance Indicators was outlined and everything was on track and positive feedback had been received from clients

- Based on the audits reported in the period an overall reasonable assurance option was considered to be appropriate

A written response to a question asked by a member of the Committee was provided in relation to the increase in Corporate Directorate Days. As detailed above, it was reported that 32 days had been 'lost' to date. The Corporate Anti-Fraud Team had provided 75 days to the Covid-19 response to date.

Flexibility planning and good liaison with Executive Director's and their Departmental Management Teams had meant a reprioritisation of work, largely in the same way as a 'normal' year, but the extent of change was greater.

The need for continued liaison would continue through to March 2021 but it was not known at the moment what the impact would be in relation to redeployments. There had, however, been no major impacts as such, it was a matter of ensuring that assurance was derived from all Internal Audit days whatever they were spend on.

CIPFA had issued guidance for Heads of Internal Audit with regard to their annual assurance opinions where, potentially, insufficient work had been undertaken and on how that related to the professional standards. The view of the Head of Internal Audit, Anti-Fraud and Assurance was that unless anything changed significantly, he would be able to provide an opinion based on sufficient coverage in breadth and depth across controls, governance and risk.

#### **RESOLVED:**

- (i) that the issues arising from the completed internal audit work for the period along with the responses received from management be noted;
- (ii) that the assurance opinion on the adequacy and effectiveness of the Authority's Internal Control Framework based on the work of Internal Audit in the period to the 15<sup>th</sup> November, 2020 be noted;
- (iii) that the progress against the Internal Audit Plan for 2020/21 for the period to the 15<sup>th</sup> November, 2020 be noted; and
- (iv) that the performance of the Internal Audit Division for the period be noted.

## **12. RISK MANAGEMENT UPDATE AND STRATEGIC RISKS**

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report providing an update on the development of the new Risk Management process and sharing a summary of the current risks on the Strategic Risk Register.

It was reported that work was continuing with the IT Service to develop a supporting 'system' using SharePoint to record risks. In addition, the Business Intelligence Team had been enlisted to develop business intelligence tools which would integrate with this system to create dashboard reports for the Senior Management and individual Departmental Management Teams which would enable them to identify risks and concerns at a granular level and thereby take appropriate action.

Work was also continuing on the Risk Management Strategy, Policy and Procedures and these would be presented to Committee in the New Year.

A new register of Strategic Concerns and Issues had been formulated in discussion with the Senior Management Team and a copy was appended to the report which detailed the key areas of risk and a brief outline of the key actions and assurances required. Further work was required, however, in order to identify specific actions, assign responsibility and allocate timescales. As could be seen, there were no concerns regarded as being critical with most being regarded as important. This reflected the need to keep matters under close monitoring rather than requiring urgent action.

The full register, once fully developed, would include how the actions and or/assurance activity was being implemented to provide senior management and the Committee with information and assurance. Work was now underway in earnest to support this new approach with clear policy, guidance and training materials.

Written responses to questions asked by members of the Committee were provided as follows:

- With regard to community cohesion and asylum seeker accommodation, it was noted that the Council worked closely with Migration Yorkshire and all Yorkshire and Humberside authorities in its approach to Migration. More recently the Council had submitted its response to the Public Accounts Committee and details of this had been circulated to members and could be made available upon request.

The Authority continued to have regular liaison meetings with the provider to ensure that in housing individuals, this was done respectfully taking into account individuals' ethnic origins and in consideration of general community cohesion factors

- The difficulties associated organisational resilience and the fact that assurance could not be given when dealing with external factors, such as Brexit, without the necessary information available were noted
- In relation to pressures on Mental Health Services for both Adult Services and Children's Services it was noted that CAHMS waiting times for children accessing the service had reduced. The comments with regard to the pressure on the Council to provide/commission services that could not be provided without more funding were noted. The Health and Care Recovery Plan recognised these risks and had developed a reset plan to seek to address the legacies of Covid. The Health and Well Being Board had also identified mental health as a specific focus and a new Mental Health Partnership was to be established in early 2021
- Reference was made to the impact of Covid-19 on young carers and their mental health and it was suggested that perhaps some reference should be made to this in remedial action
- In relation to the External Market in Adult Care, it was noted that Adult Social Care had seen a demand in need for residential care beds both as a consequence of the pandemic but also as a consequence of the strategy to support people to return home wherever possible. The Service would be

working with the care sector and were developing a Market Position Statement which would be brought forward in 2021. This Statement would describe what housing and support arrangements needed to be developed in Barnsley and would detail how this would be achieved. With regard to visits to Care Homes it was noted that new national guidance was now available and had been made available to Members of the Committee

**RESOLVED** that the update on the development of the new Risk Management process, including the new register of areas of strategic concern and focus be noted and the action taken be approved insofar as this Committee is concerned.

### **13. HEALTH AND SAFETY REPORT 2019/20**

The Executive Director Core Services submitted a report, for information and reference, presenting issues in the 2019/20 Health and Safety Report which also provided a comprehensive overview of health and safety performance within the Authority. A copy of the full Health and Safety Report 2019/20 was appended to the report.

The report, which was presented by Mr S Dobby (Head of Corporate Health, Safety and Emergency Resilience), indicated that the year April 2019 to March 2020 had seen further improvements in the Council's health and safety performance and also the implications of challenges faced in the delivery of these services and maintenance of the performance. Positive indicators were summarised with comparative data for 2018/19.

There had, however, been some negative indicators and these were also summarised together with comparisons to the previous year. Mr Dobby also briefly outlined the reasons for these negative indicators.

The information and data collected provided a number of opportunities for improvements and these, together with proposals to address them, were outlined within the report. These related to the completion of risk assessments and the implementation and monitoring of risk controls; the need for the reporting of 'near misses'; and a review and implementation of the Council's occupational health and safety management system

Despite the negatives, the Council had not experienced any formal enforcement action by the Health and Safety Executive or by the South Yorkshire Fire and Rescue Service. In addition, the Council had achieved the Royal Society for the Prevention of Accidents Order of Distinction for Occupational Safety and Health and the British Safety Council International Safety Award.

It was noted that this year reiterated the need for a greater reliance on Business Units to fulfil aspects for the overall health and safety function and ensure that good health and safety practice was embedded and evidenced within services.

The full Health and Safety Report provided information on:

- The major causes of accidents to employees together with the remedial, responsive and proactive measures taken to reduce the risk of injury and work-related ill health



- The causes of accidents, the types of injury occurring, and the parts of the body injured. It also incorporated a summary provided by the Service Director Finance of the Employer's Liability Claims
- The issue of work-related violence and aggression to employees. It outlined the number of reported work-related violent incidents to employees and also provided details of the services of the Health, Safety and Emergency Resilience Services as they related to statutory occupational health

In the ensuing discussion, the following matters were raised:

- Mr Dobby explained why 'near misses' needed to be recorded as this, amongst other things, allowed an analysis of underlying causes and hopefully thereby prevent accidents occurring in the future
- Reference was made to the two major accidents that had occurred during the year and to the review of risk assessments and safe systems of work that had been undertaken

Written responses to questions asked by members of the Committee were provided as follows:

- Questions were asked about accident numbers in the first 7 months of the year and to the financial impact of days lost. It was reported that numbers in quarters 1 and 2 had been much lower than in previous years. There had been 9 accidents in Quarter 1 and 18 in Quarter 2. Fourteen accidents had been reported to date in Quarter 3. Services had been consulted on the reasons for the reduced numbers and managers were content that there had not been unreported accidents or accident forms awaiting submission. All services had been requested to revise their risk assessments and safe systems of work on the basis of Covid-19 and this may have had a positive effect on accident numbers. The accident reporting process had been revised in April 2020 to ensure it was reflective of increased remote working to ensure the ability to report accidents was maintained. Campaigns had been developed to remind employees of the importance of accident reporting.

The cost of accidents had been estimated and shared with the Senior Management Team.

- It was noted that the Health and Safety audit programme, which would commence in Quarter 4 and routine monitoring within services would ensure that Business Units had completed the required Risk Assessments and also that the Occupational Health and Safety Management System had been implemented
- The detailed explanation of each accident was not inputted within the Health and Safety Report. This information would, therefore, have to be collated manually from individual accident forms. Each incident form submitted was reviewed and followed up as necessary to ensure that any actions required to prevent recurrence were taken. Incidents occurred in a variety of places from offices to public places to schools due to the varying nature of work activities
- The underlying cause of the reported absence type was not centrally collated but was discussed with the employee through the Council's sickness absence processes. Estimates from anonymised generic feedback/categorisation from

counselling indicated a roughly 50-50 split of cause, in the employees' view, being work/non work related.

Overall sickness absence for this year was as follows:

- Quarter 1 – 1.82 days per employee
- Quarter 2 – 1.71 days per employee.

From the results from the Health and Wellbeing survey and both Pulse Surveys, a Mental Health Support Programme had been developed which included Mental Health training for all managers and employees. This would also include training employees to become mental health First Aiders. Wrapped around this was an Employee Assistance Programme which was now available to all employees which provided a 24/7 helpline, online portal and App

- Procedures were in place to ensure that accident risk assessments were reviewed, and actions taken. This included individual follow up with managers where a risk assessment was not indicated as being available. This was inherent to the Health and Safety Audit Programme that would recommence in Quarter 4 and the 'internal' monitoring undertaken within services
- In relation to incidents in relation to assaults on staff, it was reported that incident numbers in quarter 1 and 2 were much lower than in previous years: 6 in Quarter 1 and 8 in Quarter 2. Five had been reported to date in Quarter 3. Services had been consulted on the reasons for the reduced numbers and managers were content that there had not been unreported accidents or accident forms awaiting submission. All services had been requested to revise their risk assessments and safe systems of work on the basis of Covid-19 and this may have had a positive effect on accident numbers. The accident reporting process had been revised in April 2020 to ensure it was reflective of increased remote working and to ensure the ability to report accidents was maintained. Campaigns had been developed to remind employees of the importance of accident reporting.

**RESOLVED** that Health and Safety Report 2019/20, and the continuous efforts made to improve upon performance in this area, be noted.

#### **14. INFORMATION SECURITY AND GOVERNANCE PROGRESS - UPDATE**

The Committee received an Information Security and Governance Progress update presentation.

Simon Marshall (ICT Technical Security Lead) commenced the presentation by outlining the current position with regard to the work of the Information Governance and Information Security Teams. He made particular reference to the following:

- The publication of the first ever Cyber Security Strategy
  - The rationale for its introduction
  - The Strategic view ahead, detailing the policies and procedures of the Team and how this could inform the Council's Cyber Security posture for the Council going forward
  - The links to the Council's Vision, IT Strategy and Digital First Programme

- The approval of the Strategy by the Information Governance Board and Cabinet in March 2020
- The Strategy's alignment to international best practice and advice from the National Cyber Security Centre
- It was a document that progress could be measured against. Information was also provided about progress to date and on how the Strategy was monitored by the Team
- Its inclusion as part of a longer-term strategy with annual updates
- The preparations being made towards the 2021 Strategy which would incorporate both Information Governance and Information Security into a single strategy as the two teams aligned
- The current position and plans being prepared with regard to Brexit
  - Formal advice was awaited from the Government. In the absence of any advice currently the Authority was planning for the 'worst case' scenario
  - All IT Supplier contracts were being reviewed
  - An analysis of exactly where data was stored was being undertaken – this would enable the Council to know exactly where to target resources
  - An analysis was being undertaken into Data Flows in order to examine where interactions might be affected
- The changes that had been introduced as a result of the Covid-19 pandemic and particularly in relation to remote working by most staff within the Council
  - Guidance and training had been rolled out to all staff specifically centring on remote working and on the changes that Covid-19 had brought about
  - User behaviours were being audited, monitored and checked and additional training had been provided to cover areas that had simply not been required prior to the pandemic
  - It was obvious that things wouldn't return to exactly as they had before and, therefore, changes to the strategy were being examined and the service was looking at new ways to secure the Council hence, turning a potential weakness into an opportunity. This would also include an examination of where resources on the Council could be reduced whilst at the same time improving customer experience
  - Members were informed that the IT department had been shortlisted for two security awards. One for keeping the Council working during the pandemic for the speed at which they were able to roll out changes and additional solutions and the second for strength of the IT policies and the fact that there had not been the need for wholesale changes in order for people to carry on working (this was because the Council had been working to support this for a number of years). The Service would find out if it had been successful on the 11<sup>th</sup> December, 2020
- The changes being introduced to secure email and the Council's secure email tool, Egress
  - The Council had already secured its emails within public sector domains in accordance with Government guidance but had also adopted Egress as the tool of choice for non-public sector email addresses
  - Blocks to known phishing scams and known fraudsters had been implemented. The way in which this worked was outlined
  - Unusual email activity was automatically questioned
  - Emails were automatically encrypted based on content

Rob Winter, in his role as Data Protection Officer, then gave a presentation on Data Protection activity and assurances. Particular reference was made to the following:

- DPO Assurance reviews included:
  - Cyber Security – there was a positive assurance and a number of actions as referred to previously. The next review would cover, in more detail, the application of the Strategy
  - Incident Management – there was a positive assurance but scope to improve the timeliness of responses from Business Units
  - Awareness Survey – this had been issued to approximately 2,000 employees. Positive messages had come out of that but there were a few areas for further action which were being followed up
  - Contracts – further work led by Strategic Procurement was required to ensure that all BMBC contracts had the appropriate Data Protection and GDP clauses. It was reported that all new contracts contained the necessary requirements
- Other DPO Activity and Assurances included:
  - Brexit – including input to the EU Transition Group
  - Data Protection Impact Assessment Reviews and sign off
  - Liaison with the Information Commissioner's Office where appropriate
  - Provision of support and advice to the Customer Feedback Information Team and Services regarding complex complaints and information requests
  - The Customer Feedback Information Team review for which he provided challenge and support
  - Regular liaison with Information Governance and Security Team and the Senior Information Risk Officer
- Data Protection Officer Assurance was ensured via
  - Specific Assurance Reviews
  - Awareness of good Data Protection practice which was clear across the Authority
  - The strong support from the Information Governance and Security Teams – albeit these were small teams and there could be a risk in the event of long-term staff absences
  - Clear strategies, policies and guidance in place all of which were regularly reviewed
  - The developing training offer and regular communications to raise Data Protection awareness amongst staff
  - Robust Information Governance Board arrangements
  - The Data Protection Officer and Senior Information Risk Officer liaison

In conclusion he stated that there was positive assurance and a good direction of travel in terms of actions and responses.

In response to a written question the following response was provided.

The Cyber Security Strategy had been published for the first time earlier this year and, as such, much of the content related to developing policies to progress and improve the Cyber Security function of the Council. As a result, no specific Key Performance Indicators had been defined at this stage, but the

Strategy did include a number of success factors, against which progress could be measured.

**RESOLVED** that the Information Security and Governance Progress update be noted.

## **15. CORPORATE FINANCE PERFORMANCE - QUARTER ENDING 30TH SEPTEMBER, 2020**

The Executive Director Core Services and Service Director of Finance submitted, for information only, a joint report detailing the financial performance of the Authority during the second quarter ended 30<sup>th</sup> September, 2020 and assessing the implications against the Council's Medium Term Financial Strategy. The report also provided an update on the ongoing impact of Covid-19 on the Council's 2020/21 budget.

Reference was made to the size of the debt and to the repayment plans. It was acknowledged that this was a high level of debt relative to near comparators, however, the Council had made conscious decisions previously to invest in a brand-new secondary school estate and also on the new Town Centre. The Service Director Finance was confident that the costs associated with that debt were affordable and sustainable in accordance with the Council's Medium Term Financial Plan. The Minimum Revenue Position detailed the minimum that the Council had to repay each year on its debt portfolio and the debt was scheduled to be repaid over a 50 year period.

Written responses to questions asked by members of the Committee were provided as follows:

- Given the plans in place to recover the 2020/21 projected deficit and subject to the delivery of the recently updated Medium Term Financial Strategy, the Director of Finance assessed the potential for him to have to issue a Section 114 Notice (Local Government Finance Act 1988), as being very low
- The projected deficit for the entire year based on all currently available information/plans was £15.5m. A financial recovery plan was in place to mitigate the deficit in full by year end such as by postponing planned investments to the extent that was necessary. The recently revised Medium Term Financial Strategy factored in estimates of the potential ongoing impacts stemming from the pandemic both in terms of the impact on the cost base and income losses
- In relation to consultation with residents, it was reported that a whole borough consultation and engagement exercise had been carried out earlier in the year to seek residents (and other key stakeholders) views on the places where they lived and on what they wanted for the future. This would inform the Barnsley 2030 placed based vision for the Borough (with actions over 4 themes to be delivered by all strategic partners, not just the Council) and the next iteration of the Council's Corporate Plan (the Council's contribution to the Barnsley 2030 vision). Specific communication, consultation and feedback on the budget would take place later (with residents, and more formally with the business community as required by legislation)

- In response to questions regarding the CIPFA Financial Resilience Index (2018/19) and the indicators of Financial Stress, it was noted that the figures quoted were from the 2018/19 accounts as at 31<sup>st</sup> March, 2019. The Committee would be aware that from the Treasury Management Strategy at that time the Council's forecast capital financial requirement looking forwards for the following three year period was in excess of £1bn – the increase from the £875m quoted being almost entirely due to a decision made by the Council at that time to proceed with the Glassworks project.

This had been the rationale for the Section 151 Officer highlighting the indicator(s) at the time. Consequently, the budget for 2021/22 and the Medium Term Financial Strategy included the following advice/mitigations from the Section 151 Officer:

- Advice not to undertake any additional material borrowing for major infrastructure projects until such time as the Glassworks had been completed and de-risked; and
- To safeguard the Council from interest rate risk to introduce an active strategy/target to de-risk the Council's debt portfolio, whereby a maximum of 30% of debt carried interest rate risk (i.e.. 70% fixed and not subject to interest rate movements)

The capital financing requirement had remained broadly in line with forecasts made 2 years ago as part of the 2019/20 budget and, therefore, the advice had been followed

The strategy and targets in relation to interest rate risk had been met as reported to the Committee at year end.

Based on this and on the proviso that the plans in place for the wider Medium Term Financial Strategy were delivered, the Service Director Finance considered the current debt levels to be prudent, affordable and sustainable

The Service Director Finance would bring updated Financial Resilience and Treasury Management strategy papers to a future meeting as part of the forthcoming budget round

- The income shortfall for Educational Psychology, Education Welfare and SEND Support Services was predominantly related to school closures
- The expected impact of the latest lockdown and tighter restrictions of Tier 3 had been factored into detailed plans and reflected in the £15.5m forecast deficit.
- There remained some unknowns in relation to the Council's role in deploying the vaccine/mass testing and the level of funding that would accompany that
- Information on bad debt and assumptions on the bad debt provision were outlined and had been circulated to all Members of the Committee

- The borrowing requirement of the Council had been based on approved capital plans and was not impacted by Covid -19

**RESOLVED** that the update report on the financial performance of the Authority during the second quarter ended 30<sup>th</sup> September, 2020, the implications against the Council's Medium Term Financial Strategy and the ongoing impact of Covid-19 on the Council's 2020/21 budget be noted.

## **16. COVID-19 PANDEMIC - UPDATE**

The Executive Director Core Services provided the Committee with an update of the current situation and work being undertaken both by the Council and by its partners in relation to the Covid-19 pandemic.

He stated that a report was to be submitted to Cabinet in December outlining in more detail the work that had been taking place. In particular there had been an LGA Peer Review that had assessed the Council's recovery plan and this would be a useful document to present to Committee at the next meeting.

The work that had been ongoing over the last month or so had been all about moving from Tier 3 into lockdown together with all the challenges that this brought with it – communications and ensuring that legislation was complied with including work with businesses and residents.

The move from lockdown back into Tier 3 had also brought significant challenges particularly in relation to the hospitality industry. Work was also ongoing with regard to the development of a programme around vaccination which would pose huge logistical issues and staff within the Authority, including Mr S Dobby (Head of Corporate Health, Safety and Emergency Resilience) and the Health and Safety Team were actively involved in this process. Whilst no firm date had been determined as to when vaccination would commence, it was important for all preparations to be made in advance. Consideration was also being given as to whether or not the Authority would be involved in a community testing programme.

The good news was, however, that the infection rates within Barnsley had been dropping over the last three to four weeks and this was a great sign in terms of the challenge faced by the hospital and the health care services.

The borough's position within Tier 3 was to be reviewed in two weeks' time.

**RESOLVED** that the update report be noted.

## **17. AUDIT COMMITTEE WORK PLAN**

The Committee received the indicative work plan for the Committee for the period June 2020 to April 2021.

The Head of Internal Audit, Anti-Fraud and Assurance indicated that work was progressing to produce a schedule of reports/presentations to reflect the wider governance remit of the Committee but also to make better use of the Committee Awareness/Training sessions held immediately prior to meetings.

Arising out of this, reference was made to the following:

- The intention to bring forward reports and/or training on issues identified and lessons learned within other authorities to adverse audit reports
- A request for a presentation to be made on the implications for Councils of issuing a Section 114 Notice. This matter would be addressed at an Awareness Session to be arranged with Grant Thornton into their findings following an audit of the London Borough of Croydon and Nottingham City Council
- the submission of written questions on items coming before the Committee. It was noted that on many occasions Elected Members may have received information within other meetings that supported their role and work on this Committee. The value of the questions submitted by Independent Members was noted as these gave a significant level of check, challenge and scrutiny. Arising out of this discussion reference was also made to the value that the Authority placed on having a majority of Independent Members on the Committee.

**RESOLVED** that the core work plan for meetings of the Audit and Governance Committee be approved and reviewed on a regular basis.

## **18. 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 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

## **19. GLASSWORKS - UPDATE**

The Committee received a presentation giving an update of the current position with regard to the Glassworks Development.

The presentation which was given by Mr Andrew Osbourne (Regeneration Projects Group Leader) and Mr S Loach (Head of Finance) made particular reference to the current position with regard to:

- construction works - which were anticipated to be completed next year
- the leasing arrangements and the update to the Leasing Strategy
- the Governance arrangements and the submission of reports to Cabinet/Council
- the Financial Position

The presentation engendered a full and frank discussion during which matters of a general and detailed nature were raised and answers given to Members questions where appropriate. Particular reference was made to:

- the current position with regard to occupancy rates, anticipated occupancy upon opening and future occupancy projections
- market demand/building use options (including the flexibility of the project to meet current demand as well as adjust to future changing demand)



- income generation and financial arrangements
- the current position with regard to the leisure and public realm aspects of the project
- construction progress
- Leasing options
- Governance oversight of the project and particularly the involvement of Internal Audit

**RESOLVED** that the report be received.

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Chair