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MEETING:	Audit and Governance Committee
DATE:	Wednesday, 20 January 2021
TIME:	4.00 pm
VENUE:	THIS MEETING WILL BE HELD VIRTUALLY

AGENDA

Procedural/Administrative Items

1. Declarations of Pecuniary and Non-Pecuniary Interest
2. Minutes (*Pages 5 - 22*)

To receive the minutes of the meeting held on the 2nd December, 2020.

Items for Discussion/Decision

3. Annual Governance Review Process (*Pages 23 - 26*)

The Head of Internal Audit, Anti-Fraud and Assurance will submit a report providing an update of the Annual Governance Review process that has been determined for 2020/21 and which will be used to influence and assist in the preparation of the Council's Statutory Annual Governance Statement for 2020/21.

4. Risk Management Update (*Pages 27 - 28*)

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

5. Internal Audit Planning Consultation Paper for 2021/22 (*Pages 29 - 32*)

The Head of Internal Audit, Anti-Fraud and Assurance will submit a report outlining the annual audit planning process and seeking the Committees views with regard to the potential projects for inclusion within the draft Internal Audit Plan for 2021/22.

6. Internal Audit Progress Report 2020/21 (*Pages 33 - 44*)

The Head of Internal Audit, Anti-Fraud and Assurance will submit a report providing a summary of the Internal Audit activity completed, and the key issues arising from it, for the period 16th November to 31st December, 2020.

7. External Audit - Annual Audit Letter (*Pages 45 - 64*)

The Council's External Auditor (Grant Thornton) will submit their Annual Audit Letter summarising the key findings arising from the work undertaken for the Council and its subsidiaries for the year ended 31st March, 2020, detailing the reports issued including those submitted to Council on the 26th November and this Committee on the 28th October, 2020, the audit fees charged (including the way these have been calculated) and outlining the scope of the audit and the arrangements for undertaking additional work for which separate fees were

applicable.

Items for Information

8. External Audit - Update Report

The Council's External Auditor (Grant Thornton) will report on recent work undertaken together with a summary of any emerging national issues and developments.

9. Business Improvement, Human Resources and Communications Governance Domain Update Report (*Pages 65 - 70*)

The Service Director Business Improvement, Human Resources and Communications will submit an information report giving an overview of the functions of the Business Improvement, Human Resources and Communications Business Unit together with information about the progress against the assurance programme in the areas of Performance Management and Equality and Inclusion.

10. LGA Recovery and Renewal Panel Findings (*Pages 71 - 84*)

The Executive Director Core Services will submit, for information, a report submitted to Cabinet on the 16th December, 2020 on the findings from the Local Government Association (LGA) Recovery and Renewal Panel that took place on the 20th August, 2020.

11. Audit Committee Work Plan (*Pages 85 - 88*)

The Committee will receive the indicative Audit Committee Work Plan for the period 3rd June 2020 to 14th April, 2021.

To: Chair and Members of Audit and Governance Committee:-

Councillors Lofts (Chair), Richardson, Barnard, P. Birkinshaw, Ms K Armitage, Ms D Brown, Mr S Gill, Mr P Johnson and Mr M Marks; together with Co-opted members Ms K Armitage, Ms D Brown, Mr S Gill, Mr P Johnson and Mr M Marks

Sarah Norman, Chief Executive

All Executive Directors

Shokat Lal, Executive Director Core Services

Neil Copley, Service Director Finance (Section 151 Officer)

Rob Winter, Head of Internal Audit and Corporate Anti-Fraud

Ian Rooth, Head of Financial Services

Alison Salt, Corporate Governance and Assurance Manager, Internal Audit Services

Michael Potter, Service Director Business Improvement and Communications

Council Governance Unit – 3 copies

Please contact William Ward on email governance@barnsley.gov.uk

Tuesday, 12 January 2021

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MEETING:	Audit and Governance Committee
DATE:	Wednesday, 2 December 2020
TIME:	4.00 pm
VENUE:	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 28th 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 30th November, 2020, which followed their presentation to full Council on the 26th 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 31st March, 2021. The contract with NORSE would terminate on the 31st 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 16th 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 1st July to 15th 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 15th 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 15th November, 2020 be noted;
- (iii) that the progress against the Internal Audit Plan for 2020/21 for the period to the 15th 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 11th 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 30th 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 31st 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 30th 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

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Item 3

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 20th January 2021

ANNUAL GOVERNANCE REVIEW PROCESS

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the Audit and Governance Committee with an update regarding the Annual Governance Review (AGR) process that has been determined for 2020/21; and will be used to influence and assist in the preparation of the Council's Statutory Annual Governance Statement (AGS) for 2020/21.
- 1.2 The consideration of the Council's governance and assurance framework and the preparation of the AGS are key responsibilities of the Audit and Governance Committee.

2. Recommendations

2.1 The Audit and Governance Committee are asked to:

- i. **Note the Annual Review Process for 2020/21**
- ii. **Note the Local Code of Corporate Governance previously approved at the Audit and Governance Committee on 29 July 2020**
- iii. **Note the outputs from the Annual Governance Review process for 2020/21 which will be reported to the Committee later this year and will be used to inform the development of the Annual Governance Statement.**

3. Annual Governance Review Process – 2020/21

- 3.1 The Annual Governance Review (AGR) process for 2020/21 will be informed by the following:
 - Progress reviews against the Annual Governance Statement Action Plan 2019/20
 - Findings obtained from the governance assurance process being developed with Business Units – this is based on the self-assessment documentation used in 2019/20 to prompt consideration of the existence and adequacy of governance arrangements across key areas. Business Units will be assessing their compliance on a quarterly/six monthly basis.

- Internal Audit will undertake some validation of the self-assessments undertaken by Business Units
- An Annual Report of the Head of Internal Audit, Anti-Fraud and Assurance which provides an opinion on the adequacy and effectiveness of the council's risk management, control and governance processes
- The work of the designated Senior Information Risk Owner (SIRO) and the Data Protection Officer (DPO) and the role of the Information Governance Board
- The work of the Audit and Governance Committee which includes responsibility for monitoring the development and operation of corporate governance in the council
- The Council's internal management processes, such as performance monitoring and reporting; the staff performance and development framework; employee awareness of corporate policies; monitoring of policies such as the corporate complaints and health and safety policies and budget management systems
- External Audit Reviews
- Recommendations from external review agencies and inspectorates
- Assurance from the Council's statutory officers (Head of Paid Service, Section 151 Officer and Monitoring Officer)

4. Local Code of Corporate Governance

- 4.1 This stands as the overall statement of the Council's corporate governance principles and commitments,
- 4.2 The current Local Code of Corporate Governance was approved by the Committee at its meeting on 29 July 2020 and was approved by Full Council on 24 September 2020.

5. Preparation of the Annual Governance Statement 2020/21

- 5.1 The preparation of the Annual Governance Statement is undertaken in accordance with the "Delivering Good Governance in Local Government Framework 2016" CIPFA/SOLACE Guide. It will include the findings from the work carried out outlined in section 3 on the annual governance review process.
- 5.2 The framework defines the principles that should underpin the governance structures of the organisation and provides an opportunity to test existing governance structures and principles against those set out in the framework by:
- Reviewing existing governance arrangements
 - Developing and maintaining a Local Code of Corporate Governance; and
 - Reporting publicly on our compliance with our own Local Code of Corporate Governance

6. Timescales

6.1 The proposed timescales for the Annual Governance Review Process are as follows:

Confirmation of the Annual Governance Review process	February 2021
Governance Assurance by Business Units	March/April 2021
Annual Report – Internal Audit	June 2021
Assurance from SIRO/DPO	May/June 2021
Assurance from Statutory Officers	June 2021
Consider external inspection reports	May/June 2021
External Audit Reviews	June 2021
Preparation of Draft AGS	June 2021

6.2 It should be noted that there is still discussion nationally about the timescales for the publication of Statutory Accounts in 2021, due to the ongoing impact of the Covid 19 pandemic.

Contact Officer: Rob Winter, Head of Internal Audit, Anti-Fraud and Assurance
Email: robwinter@barnsley.gov.uk
Date: 11th January 2021

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Item 4

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 20th January 2021

RISK MANAGEMENT UPDATE

1. Purpose of the Report

- 1.1 To provide an update on the development of the new Risk Management process and to share with the Committee a summary of the current risks on the Strategic Risk Register.

2. Recommendation

- 2.1 **The Committee is asked to note the update.**

3. Current Position

- 3.1 The supporting SharePoint system has now been developed to such a stage that it can begin to be rolled out. The dashboard functionality has now also been developed to link and work with the SharePoint system.
- 3.2 Work to develop the supporting risk management strategy, policy and procedures is underway and these will be presented to the Committee for consideration at the March meeting.
- 3.3 The risk system will be populated with the latest risk registers from each Business Unit and Board. This will be facilitated by the Corporate Governance and Assurance Manager to ensure that 'risks' are cleansed before being added to the new system and to ensure there is consistency in the language used to align with the new approach. It is anticipated that the system will be populated by mid-March.
- 3.4 Work will also be undertaken over the next few weeks to expand on the strategic concerns and areas of focus determined by the Senior Management Team to identify specific actions, assign responsibility and timescales.
- 3.5 A timetable of reporting is also being developed to ensure that SMT, BUs, and Boards are managing their risks and ensuring the necessary escalations. It is proposed that SMT will consider the strategic risks no less frequently than quarterly (previously bi-annually). It will be recommended that BUs consider their risks as part of their monthly or bi-monthly meeting schedules so that any issues requiring escalation are identified and acted upon in a timely manner. The strategic risks will also be reported to Cabinet.

- 3.6 Risk management updates will be on each Committee agenda to provide assurances that the new arrangements are in place and effective. The Committee may periodically choose to explore certain risks in more detail by way of inviting the 'risk owner' to talk through the actions and assurances.

Contact Officer: Rob Winter, Head of Internal Audit, Anti-Fraud and Assurance
Email: robwinter@barnsley.gov.uk
Date: 11th January 2021

Item 5

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT COMMITTEE – 20th JANUARY 2021

INTERNAL AUDIT PLANNING CONSULTATION PAPER FOR 2021/22

1. Purpose of this report

1.1 The purpose of this paper is to set out the annual audit planning process and to consult with the Audit and Governance Committee with regard to potential projects for inclusion in the draft Internal Audit Plan for 2021/22.

2. Recommendations

2.1 It is recommended that:

- **Members note the report and consider potential projects for consideration in the Internal Audit Annual Plan for 2021/22.**
- **Members should pass nominations for the 2021/22 Internal Audit Plan through the Chair for notification to Internal Audit.**
- **Members consider the proposed planning process and be satisfied that it is sufficiently robust that it will determine a value-adding audit plan, informed by risk and through consultation with appropriate senior management.**

3. Background Information

3.1 The Annual Internal Audit Planning Process for 2021/22 has commenced. The following actions will be undertaken during this process:-

- Consideration of the strategic risk, concerns and issues registers including the recorded mitigation controls;
- Consideration of historical and topical issues (e.g. impact of Covid-19 pandemic) as well as horizon scanning to attempt to identify any major issues that might affect the controls, risk or governance of the Council;
- Consideration of issues to assist the statutory Section 151 Officer to meet his statutory responsibilities;
- Consultation with the Senior Management Team and each Directorate Management Team responsible for the delivery of services, with reference to their business plans;
- Consultation with the Audit and Governance Committee with responsibility for overseeing delivery of the work of the Internal Audit Team.

3.2 The consideration of the areas of work to be included in the Audit Plan will have cognisance of risk/concerns and strategic significance. Professional internal audit standards require audit work to be risk based. It is important therefore that in the

process of audit planning, risks and concerns within the area under consideration have been identified by management.

- 3.3 The audit of financial systems is completed on a 3 year cyclical basis, unless there is evidence of significant change in the risk profile which may warrant more frequent coverage. This approach was agreed as part of the annual planning process for 2020/21 with the Service Director - Finance.
- 3.4 A key part of the audit planning process is to ensure sufficient overall coverage is provided across all Directorates 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 will be provided for advisory support to management.
- 3.5 Irrespective of any resource limitations it is important that the audit planning process identifies all areas of work that Internal Audit and management are concerned about and are therefore seeking assurance on. As in previous years, it is likely that the areas requiring assurance extend beyond the resources (and sometimes the capability) of Internal Audit. The Audit and Governance Committee and management need to be satisfied that alternative sources of assurance are identified and resourced. Through further consultation the process of allocating indicative audit days is applied to produce a draft audit plan.
- 3.6 The Audit and Governance Committee is therefore requested to consider key risk and areas of concern where Internal Audit coverage may be appropriate. In view of the timetable for meetings and eventual agreement of the Annual Plan members are asked to provide the Chair with suggestions for collation and notification to the Head of Internal Audit, Anti-Fraud and Assurance.
- 3.7 The planning process, whilst focussed during January and February particularly, is a continual process. Reviews of the Plan are undertaken regularly throughout the year to ensure Internal Audit resources are directed at the most relevant priority areas. As such an indicative Plan will be prepared for consideration by the Committee at the March meeting with and revisions and changes to the Plan being incorporated into the quarterly Progress reports.
- 3.8 The ability to set a plan for a 12 month period has always been difficult. The Committee will appreciate that the circumstances of the last 12 months make this even more difficult. The Committee should be assured however that because of the liaison arrangements we have in place with all Directorates and SMT, the Plan will be kept relevant throughout the year. The engagement with senior management is very good and demonstrates a culture of openness and commitment to improve.

4 Local Area Implications

- 4.1 There are no Local Area Implications arising from this report.

5 Consultations

- 5.1 The Senior Management Team and all Directorate Management Teams are consulted during the plan consultation process.
- 5.2 No specific consultation has been necessary in the preparation of this report.

6 Compatibility with European Convention on Human Rights

6.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 2018, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

7 Reduction of Crime and Disorder

7.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

8 Risk Management Considerations

8.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management.

8.2 The Service's operational risk register includes the following risks which are relevant to this report:

- Ensuring the appropriate use of and management of, information to inform and direct internal audit activities;
- Able to provide a flexible, high performing and innovative service; and
- Ensuring continuously high levels of customer satisfaction.

8.3 All of these risks have been assessed and remain within the tolerance of the Service.

8.4 An essential element of the control (and on-going) management of these risks is the provision of update reports to the Audit and Governance Committee and the assurance this provides.

9 Employee Implications

9.1 There are no employee implications arising from this report.

10 Financial Implications

10.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function are included within the Authority's base budget.

11 Background Papers

11.1 Plan consultation papers.

Officer Contact: Head of Internal Audit, Anti-Fraud and Assurance
Telephone No: 01226 773241
Date: 11th January 2021

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Item 6

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT COMMITTEE – 20th JANUARY 2021

INTERNAL AUDIT PROGRESS REPORT 2020/21

1. Purpose of this report

- 1.1 The purpose of this report is to provide a summary of the Internal Audit activity completed, and the key issues arising from it, for the period from 16th November 2020 to 31st December 2020.

2 Background information

- 2.1 The Audit Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements, including matters such as internal control and risk management. The reports issued by internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
- 2.2 At the end of the financial year, Internal Audit will produce an Annual Internal Audit Report, which will provide our overall opinion on the adequacy of the Council's control environment and compliance with it during the year.

3 Recommendations

- 3.1 **It is recommended that the Audit Committee considers the assurances it needs on the effectiveness of the Authority's internal control, risk and governance arrangements through the work of Internal Audit by:-**
- i. **considering the issues arising from completed Internal Audit work in the period along with the responses received from management;**
 - ii. **noting 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, and;**
 - iii. **noting the progress against the Internal Audit plan for 2020/21 for the period.**

4 Local Area Implications

- 4.1 There are no Local Area Implications arising from this report.

5 Consultations

- 5.1 All audit reports are discussed and agreed with the Audit Sponsor and Designated Operational Lead. Individual audit reports are provided to the appropriate Executive Director and/or Service Director to apprise him/her of key issues raised and remedial actions agreed.

5.2 No specific consultation has been necessary in the preparation of this quarterly report.

6 Compatibility with European Convention on Human Rights

6.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 2018, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

7 Reduction of Crime and Disorder

7.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

8 Risk Management Considerations

8.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management and, as such, risk issues are inherent in the body of the report.

8.2 The Service's operational risk register includes the following risks which are relevant to this report:

- Ensuring the appropriate use of and management of, information to inform and direct internal audit activities;
- Able to provide a flexible, high performing and innovative service; and
- Ensuring continuously high levels of customer satisfaction.

8.3 All of these risks have been assessed and remain within the tolerance of the Service.

8.4 An essential element of the control (and on-going) management of these risks is the provision of update reports to the Audit Committee and the assurance this provides.

9 Employee Implications

9.1 There are no employee implications arising from this report.

10 Financial Implications

10.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function are included within the Authority's base budget.

11 Appendices

Appendix 1 - Key To Internal Audit Assurance Gradings & Classification of Management Actions.

12 **Background Papers**

12.1 Various Internal and External Audit reports, files and working papers.

Officer Contact: Head of Internal Audit, Anti-Fraud and Assurance

Telephone No: 01226 773241

Date: 11th January 2021

Barnsley Metropolitan Borough Council

Internal Audit Progress Report

Audit Committee

20th January 2021

INTERNAL AUDIT PROGRESS REPORT 2020/21 16th November to 31st December 2020

Purpose of this report

This report has been prepared to inform the Committee on the Internal Audit activity for the period 16th November to 31st December 2020, bringing attention to matters that are relevant to the responsibilities of the Authority's Audit Committee.

The report also provides information regarding the performance of the Internal Audit function during the period.

2020/21 Internal Audit Plan Progress

The following tables show the progress of the internal audit plan delivery, analysed by the number of plan assignments producing a report and audit days delivered by Directorate / Service.

Position as at 31st December 2020 – Audit Days Delivered

Directorate	Original 2020/21 Plan days	Revised 2020/21 Plan days	Actual days (% of revised days)
Adults & Communities	68	56	27 (48%)
Childrens Services	166	152	106 (70%)
Core Services	386	460	374 (81%)
Corporate	133	133	261 (196%)
Council Wide	140	140	114 (81%)
Place	167	139	64 (46%)
Public Health	48	33	30 (91%)
General Contingency	26	21	0
Barnsley MBC	1,134	1,134	976 (86%)
Corporate Anti-Fraud Team	600	600	396 (66%)
Barnsley MBC Internal Audit Total	1,734	1,734	1,372 (79%)

HolA role as Head of Assurance	210	210	126 (60%)
HolA role as DPO	35	35	25 (70%)
Sub Total	245	245	151 (62%)

External Clients	1,043	1,043	642 (62%)
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Total Chargeable Planned Days	3,022	3,022	2,165 (72%)
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NB – Core includes all unplanned Covid19 related assurance work that covers assurance activity across all Directorates.

Corporate includes days where the Team have supported other services (i.e. redeployment).

Position as at 31st December 2020 – Plan Assignments

Directorate	2020/21 plan assignments*	Assignments expected to be completed to date	Actual assignments completed
Adults & Communities	3	0	0
Childrens Services	5	3	3
Core Services	39	25	25
Place	5	0	0
Public Health	1	1	1
Total	53	29	29*

* Incl. c/fwd from 2019/20.

NB – excludes advisory, grants etc where no report required.

*A total of 5 final reports issued in this period, with 24 being issued in the previous reporting periods.

Changes to the 2020/21 Internal Audit Plan

There have been no changes to the Internal Audit plan during this period.

Final Internal Audit reports issued

We have finalised 5 audit reports in the period. The following table provides a summary of assurances, where applicable, and the number and categorisation of agreed management actions included in these reports:

Directorate- Audit Assignment	Assurance Opinion	Number of Management Actions Agreed:			Total	Agreed
		High	Medium	Low		
Core – DPO Arrangements Compliance	Substantial	0	0	3	3	3
Core – Preventing Illegal Working	Reasonable	0	5	0	5	5
Core – DPO Assurance – IG Awareness (Surveys)	Reasonable	1	1	0	2	2
PH – Quality and Governance Arrangements	Reasonable	0	3	1	4	4
Childrens – Take Up of Two Year Old Entitlement	Reasonable	0	3	0	3	3
Total		1	12	4	17	17

Please note that final audit reports are available to Audit Committee members on request.

Internal Audit reports providing a limited or no assurance opinion

There were no audit reports issued during the period that had a limited assurance opinion.

Details and outcome of other Internal Audit activities undertaken in the period not producing a specific assurance opinion

Audit Work Completed	Details	Contribution to Assurance
Communities: Troubled Families – Quarterly validation	Grant claim validation.	The work contributes to assurance in respect of financial management.
Core/Place: Glassworks Board Attendance	Provide independent and objective assurance that effective and efficient risk, control and governance arrangements exist to provide a robust framework upon which the phase two scheme can be delivered (i.e. on time, in budget and to the required standard).	The work contributes to assurance in respect to contract management, governance and financial management.
Core: SAP Success Factors	To continue to support the project throughout its design and implementation.	The work contributes to assurance in respect to contract management, governance and financial management.
Core: SMART working and Managers Toolkit	To develop the audit and assurance elements of the managers toolkit and also to attend the Working Group meetings to provide check and challenge to the process.	This work supports the Council in its objective of increased SMART working arrangements.
Core Services: Charity Accounts	To validate and approve the Charity Accounts that are required to be certified and returned to the Charity Commission.	The work contributes to assurance in respect of financial management.
Childrens Services: SEND – Decision Making	A check and challenge approach to the project in terms of improvement plans and inspection readiness.	The work contributes to assurance in respect of governance and financial management.

Other Internal Audit work undertaken

Audit Activity	Description
Follow-up of Agreed Management Actions	Regular work undertaken to follow-up agreed management actions made.
Attendance at Steering / Working Groups	<ul style="list-style-type: none"> • Information Governance Board; • Commissioning, Procurement & Contracts Working Group; • SMART Working / Managers Toolkit; • Glassworks Board; • Public Health Quality & Governance Group; • SEND Improvement Group • ALMO Operational Liaison Board • Covid19 Recovery and Resilience.

Audit Activity	Description
Liaison, Planning and Feedback	Meeting and corresponding with Service and Executive Directors and Heads of Service regarding the review of the annual plan, progress of audit work, future planning and general client liaison.
Audit Committee Support	Time taken in the preparation of Audit Committee reports, Audit Committee Member training, general support and development.
Corporate Whistleblowing	General time taken in providing advice and the initial consideration of matters raised. Also includes the review of arrangements.
Corporate Matters	Covering time required to meet corporate requirements, i.e. corporate document management, service business continuity and health and safety.

Work in progress

The following table provides a summary of audits in progress at the time of producing this report:

Directorate- Audit Assignment	Audit Planning	Work in Progress	Draft Report
A&C – Local Welfare Assistance Scheme		✓	
A&C - Assisted Living Service		✓	
A&C - Shared Lives Process Review		✓	
A&C - Brokerage Service		✓	
Core – Data Management Policy Compliance		✓	
Core – Legal Services – Service Standards		✓	
Childrens – SEND Improvement Governance		✓	
Childrens – Youth Justice Service		✓	
Place – Elsecar Heritage Trust		✓	
Place – NPS Governance and Contract Arrangements		✓	
Core – Covid19 – Income Compensation Returns		✓	
Core – Covid19 – Isolation Payments		✓	
Core – DPO Assurance - Contracts	✓		
Core – Covid19 - Moratorium Follow Up	✓		
Core – Covid19 – Tier 2, Tier 3 and Discretionary Business Grants	✓		
Core – Leaseholder Agreements	✓		
Childrens – Barugh Green School	✓		
Childrens – Trust Executive Group and Wider Partnerships	✓		
Place – Glassworks Contract and Performance Management	✓		

Directorate- Audit Assignment	Audit Planning	Work in Progress	Draft Report
Place – Health and Safety (Culture)	✓		
Place – Highways Financial and Governance Arrangements (Operations)	✓		

Follow-up of Internal Audit report management actions

As previously reported to members, Internal Audit works closely with management to monitor the general position with regards the implementation of management actions and to establish the reasons behind any delays. Internal Audit continues to issue a detailed monthly status update to Service Directors and to Executive Directors on a quarterly. This is in addition to the performance reports currently presented to SMT.

There is no further update to that provided at the December 2020 meeting.

Internal Audit performance indicators and performance feedback for Quarter 3 - 2020/21

Internal Audit's performance against a number of indicators is summarised below.

Ref.	Indicator	Frequency of Report	Target 2020/21	This Period (Q3)	Year to Date
1.	<u>Customer Perspective:</u>				
1.1	Percentage of questionnaires received noted "good" or "very good" relating to work concluding with an audit report.	Quarterly	95%	100% (4 responses)	100% (12 responses)
2.	<u>Business Process Perspective:</u>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report.	Quarterly	80%	100%	100%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	67%	68%
2.3	Average number of days lost through sickness per FTE	Quarterly	6 days	1.25 days	2.4 days
3.	<u>Continuous Improvement Perspective:</u>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%	100%	100%

Ref.	Indicator	Frequency of Report	Target 2020/21	This Period (Q3)	Year to Date
4.	<u>Financial Perspective:</u>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Yes	Yes

Head of Internal Audit's Internal Control Assurance Opinion

The Head of Internal Audit, Corporate Anti-Fraud and Assurance must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Based on the audits reported in the period, an overall **reasonable** assurance opinion is considered to be appropriate.

A summary of our quarterly opinions for the year to date is as follows:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Assurance Opinion	Reasonable	Reasonable	Reasonable	

Consideration of our overall opinion takes the following into account:

- results from the substantive audit assignments we have completed during the period;
- outcomes from our audit work not producing an assurance opinion;
- an assessment as to the timely implementation of internal audit report management actions.

Fraud, Investigations and the Corporate Anti-Fraud Team

The Audit Committee receives a separate report covering the detail of fraud and irregularity investigations undertaken, the preventative work and the general activities and work plan of the Corporate Anti-Fraud Team.

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KEY TO INTERNAL AUDIT ASSURANCE GRADINGS AND CLASSIFICATION OF MANAGEMENT ACTIONS

1. Classification of Management Actions

- High** Requires immediate action – imperative to ensuring the objectives of the system under review are met.
- Medium** Requiring action necessary to avoid exposure to a significant risk to the achievement of the objectives of the system under review.
- Low** Action is advised to enhance control or improve operational efficiency.

2. Assurance Opinions

	Level	Control Adequacy	Control Application
POSITIVE OPINIONS	Substantial	Robust framework of controls exist that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
	Reasonable	Sufficient framework of key controls exist that are likely to result in objectives being achieved, but the control framework could be stronger.	Controls are applied but with some lapses.
NEGATIVE OPINIONS	Limited	Risk exists of objectives not being achieved due to the absence of key controls in the system.	Significant breakdown in the application of key controls.
	No	Significant risk exists of objectives not being achieved due to the absence of controls in the system.	Fundamental breakdown in the application of all or most controls.

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The Annual Audit Letter for Barnsley Metropolitan Borough Council

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January 2021



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1. Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Barnsley Metropolitan Borough Council (the Council) and its subsidiaries (the group) for the year ended 31 March 2020.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the full Council as those charged with governance in our Audit Findings (ISA260) Report on 26 November 2020 (we also reported our findings to the Audit Committee on 28 October 2020).

Materiality

Materiality

We determined materiality for the audit of the Council's financial statements to be £8,425,000 (Group £8,443,000), which is 1.5% of the Council's (and Group's) gross revenue expenditure.

Financial Statements opinion

We issued an unqualified opinion on the Council and the Group's financial statements on 30 November 2020.

We included an emphasis of matter paragraph in our report in respect of the uncertainty over valuations of the Council's land and buildings and the Authority's share of the pension fund's property investments given the Coronavirus pandemic. This does not affect our opinion that the statements gave a true and fair view of the Council's financial position and its income and expenditure for the year.

Whole of Government Accounts (WGA)

We are currently completing work on the Council's consolidation return following guidance issued by the NAO.

Use of statutory powers

We did not identify any matters which required us to exercise our additional statutory powers.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council and the group's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council and the group's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Executive Summary

Value for Money arrangements We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 30 November 2020.

Certificate We are currently unable to certify that we have completed the audit of the financial statements of Barnsley Metropolitan Borough Council. This is because we have yet to complete work on the Council's Whole of Government Accounts consolidation return. Once this is completed, we will be able to certify that we have completed the audit of the Council and the Group's financial statements in accordance with the requirements of the Code of Audit Practice.

Working with the Council

The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Council, both operationally and in preparing the financial statements. Restrictions for non-essential travel has meant both Council and audit staff have had to work remotely, including remotely accessing working papers and financial systems. In addition, face to face meetings have been replaced by telephone and video conferencing arrangements which has also extended to Council Committee meetings including the Audit Committee.

This is our second year of audit at Barnsley Metropolitan Borough Council and we believe we have continued to develop professional working relationships with you and your officers and have delivered a number of positive outcomes, including:

- sharing our insight – we provided regular Audit Committee updates covering best practice
- providing training – we provided your teams with training on financial statements and annual reporting.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
January 2021

- regular liaison with the finance team and members of senior management and members of the Audit Committee to understand the issues facing the Council
- understanding your operational health – through the value for money conclusion we provided you with assurance on your operational effectiveness

2. Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the group financial statements to be £8,443,000, which is 1.5% of the group's gross revenue expenditure. We determined materiality for the audit of the Council's financial statements to be £425,000, which is again 1.5% of the Council's gross revenue expenditure. We used this benchmark as, in our view, users of the group and Council's financial statements are most interested in where the group and Council has spent its revenue in the year.

We also set a lower level of specific materiality for senior officer remuneration.

We set a lower thresholds of £422,000 for the group and £421,000 for the Council, above which we reported errors to the Audit Committee and full Council in our Audit Findings (ISA260) Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Statement of Accounts to check it is consistent with our understanding of the Council and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our Audit Plan Addendum (April 2020)	How we responded to the risk	Findings and conclusions
<p>Covid-19 The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to:</p> <p>Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation</p> <p>Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates</p> <ul style="list-style-type: none"> Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties. <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> worked with management to understand the implications the response to the Covid-19 pandemic had on the organisation's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. No changes were made to materiality levels previously reported liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross-sector responses to issues as and when they arose. Examples include the material uncertainty disclosed by the Council's property valuation expert evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic evaluated whether sufficient audit evidence could be obtained through remote technology evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as assets and the pension fund liability valuations evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment discussed with management the implications for our audit report where we have been unable to obtain sufficient audit evidence. 	<p>On the basis of our work, we concluded that our audit report opinion would be unqualified with an emphasis of matter relating to the material uncertainty around the valuation of land and buildings including investment properties and the Authority's share of the pension fund's property investments. This change to our opinion was a direct result of the impact of Covid-19. The reporting of a material uncertainty on the valuation of land and buildings is consistent across our other local authority audits.</p>

Audit of the Financial Statements

Significant Audit Risks continued

Risks identified in our Audit Plan	How we responded to the risk	Findings and conclusions
<p>Management over-ride of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our work we:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals analysed the journals listing and determined the criteria for selecting high risk unusual journals and testing them tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration gained an understanding of the accounting estimates and critical judgements applied and made by management and considered their reasonableness with regard to corroborative evidence evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. 	<p>There were no issues arising from our work which we needed to bring to your attention.</p>

Audit of the Financial Statements

Significant Audit Risks continued

Risks identified in our Audit Plan	How we responded to the risk	Findings and conclusions
<p>Valuation of land and buildings</p> <p>The Council revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (c£302 million) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Additionally, management will need to ensure the carrying value in the Council's financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>Update April 2020: The covid-19 pandemic has resulted in the volatility of financial and property markets. This will increase the certainty of assumptions applied by management to asset valuations.</p> <p>Therefore identified valuation of land and buildings, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work, we:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Council's valuation of land and buildings are not materially misstated and evaluated the design of the associated controls • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluated the competence, capabilities and objectivity of the valuation expert • discussed with the valuer the basis on which the valuation was carried out • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding, including checking that the floor areas used are consistent with other records. • in a new development for 2019-20, engaged our own valuer to assess the instructions to the Authority's valuer, the Authority's valuer's report and the assumptions that underpin the valuation • tested revaluations made during the year to see if they had been input correctly into the Council's asset register in line with Code guidance. • evaluated the assumptions made by management for those assets not revalued during the year and how management had satisfied themselves that these were not materially different to current value at year end • evaluated whether sufficient audit evidence can be obtained due to Covid-19 impact to corroborate significant management estimates around land and buildings. 	<p>Our audit work did not identify any issues in respect of the valuation of land and buildings except for the following matter:</p> <p>The Council uses in-house RICS qualified valuers to value its land and buildings. The valuation reports included a material valuation uncertainty paragraph as a result of Covid-19 which was also reported in the Council's financial statements under material estimation uncertainties.</p> <p>As a result, we included an emphasis of matter in our audit opinion relating to this material uncertainty. This did not affect our opinion that the financial statements gave a true and fair view of the Council's financial position and its income and expenditure for the year. It is also important to note that this was a national issue, applying to local authorities with material land and building asset bases.</p>

Audit of the Financial Statements

Significant Audit Risks continued

Risks identified in our Audit Plan	How we responded to the risk	Findings and conclusions
<p>Valuation of pension fund net liability</p> <p>The group's pension fund net liability, as reflected in the group balance sheet as the retirement benefit obligations, represents a significant estimate in the financial statements and group accounts.</p> <p>The group's pension fund net liability is considered a significant estimate due to the size of the numbers involved (PY: £482m in the group balance sheet) and the sensitivity of the estimate to changes in assumptions.</p> <p>Page 53 £482m net liability is derived from both Council's single entity liability of £450m the group subsidiary (Berneslai Homes) liability of £32m.</p> <p>Update July 2020: the draft accounts presented for audit showed a net liability as at 31 March 2020 for the group of £434m. This was split between the Council's single entity liability of £402m and Berneslai Homes Limited liability of £32m</p> <p>We therefore identified valuation of the group and Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p>As part of our work, we:</p> <ul style="list-style-type: none"> updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report obtained assurances from the auditor of the South Yorkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. 	<p>Our work identified that the figures provided on investment return in the actuary reports were based on asset valuations as at 31 January 2020. As part of the South Yorkshire Pension Fund (SYPF) final accounts process, SYPF revised the investment return percentage based on the final fund valuation as at 31 March 2020. This exercise resulted a decrease in investment return of 0.63% which in turn had an overall impact of increasing the net pension liability by £6.4m. Management amended the financial statements for this matter in the final version of the accounts.</p> <p>Further to our discussions with the Council's actuary, we obtained confirmation that the actuary had already made allowances in terms of the impact on the McCloud judgement on their 31 March 2020 actuary report. In terms of Goodwin judgement (a pensions discriminatory legal case), the actuary confirmed the maximum impact would be a c0.1% increase of the pension liability which amounts to less c£1m. This was not deemed material and we did not request any adjustment to the financial statements in relation to this matter.</p> <p>Our review of the assurance letter from the South Yorkshire Pension Fund auditor noted that the valuation report for directly held properties of the Pension Fund included a material uncertainty over the pension fund valuation due to Covid-19. Following discussions with officers, the Council expanded its disclosure to include this material uncertainty in its financial statements.</p> <p>We included an emphasis of matter paragraph in our audit report in respect of the uncertainty over valuations of the Council's share of the Pension Fund's directly held property investments given the Coronavirus pandemic. This did not affect our opinion that the statements gave a true and fair view of the Council's financial position and its income and expenditure for the year.</p>

Audit of the Financial Statements

Audit opinion

We issued an unqualified opinion on the Council and Groups' financial statements on 30 November 2020.

Preparation of the financial statements

The outbreak of the Covid-19 coronavirus pandemic had a significant impact on the accounts preparation and audit process. Restrictions for non-essential travel meant both Council and audit staff had to work remotely, including remotely accessing working papers and financial systems. In addition, face to face meetings were replaced by telephone and video conferencing arrangements.

The Council presented us with draft financial statements in accordance with the agreed deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit despite the challenges arising from Covid-19. This ensured the audit progressed in a very efficient manner and we would like to thank the finance team and other relevant officers for their engagement in the 2019-20 audit process.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Audit Committee on 28 October 2020 and to full Council (as those charged with governance) on 26 November 2020.

In addition to the key audit risks and findings reported earlier in this report, our work identified some immaterial disclosure misstatements which were all adjusted in the final version of the financial statements.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report.

Our work indicated that both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We are currently undertaking work in line with instructions provided by the NAO. Once this work is complete, we expect to issue an assurance statement for the group auditor.

Certificate of closure of the audit

We are unable to certify at this time that we have completed the audit of the financial statements of Barnsley Metropolitan Borough Council. This is because we have yet to complete work on the Council's Whole of Government Accounts consolidation return. Once completed, we will be able to certify that we have completed the audit of the Council's financial statements in accordance with the requirements of the Code of Audit Practice.

3. Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in April 2020 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

As part of our Audit Findings report agreed with the Council in October 2020, we agreed two recommendations to address our findings.

Overall Value for Money conclusion

We were satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

Value for Money conclusion

Value for Money Risks

Risks identified in our Audit Plan in January 2020	How we responded to the risk	Findings and conclusions (as reported in our Audit Findings Report (ISA 260) – November 2020 to full Council and October 2020 to the Audit Committee)
<p>Financial standing - delivery of 2019-20 budget and savings plan</p> <p>The Authority achieved it's 2018-19 budget with an overall underspend of £7.5m after utilisation of £5.8m general fund reserves. As a result, the general fund reserves reduced from £135.8m to £130m as at 31 March 2019.</p> <p>For 2019-20, the Council is planning to deliver a balanced outturn position but to achieve this, needs to deliver savings of the £5.8m whilst continuing to manage cost demand pressures within Children's services, Adult Social care and other vital services for the local population.</p> <p>Month 6 (September 2019) latest financial reporting to the Cabinet indicates the majority of savings plans are on track to be delivered. As at Month 6, the Council is projecting an overall general fund revenue underspend of £4.329m for 2019-20. However, there are continuing service demands and challenges to overcome in the second half of the year to deliver a balanced budget and achieve the savings targets for 2019-20.</p> <p>We will continue to monitor the Authority's financial position through regular meetings with senior management and consider how the Authority manages its budget and savings plans.</p>	<p>As part of our work we:</p> <ul style="list-style-type: none"> reviewed key financial and operational documents including final outturn report for 2019-20 continued to monitor the Authority's current and medium term financial position through regular meetings with senior management reviewed the financial reports to the Cabinet detailing impact on COVID-19 to the Council's budget for 2020-21. Reviewed updated MTFs, capturing COVID-19 impact which was presented to the Cabinet 	<p>2019-20</p> <ul style="list-style-type: none"> At end of 2019-20, the Council delivered an overall operational underspend position of £6.9m, split between services of £6m and corporate budgets of £0.9m. The reported position was consistent with December's M9 forecast. As result, £1.9m of this underspend was earmarked to the Covid-19 recovery strategy and the other £5m being earmarked to increase the Council's minimum working balance in the general fund which increased from £15m to £20m. The final position on the HRA was an operational underspend of £2.3m. This position was predominantly as a result of an overachievement of rental and other income of £1.9m together with underspends in repairs and maintenance costs of £0.4m. It was recommended that £0.6m of this balance to be used to support the recovery from COVID 19 with the remaining balance (£1.8m) being used to increase the Minimum Working Balance of the HRA. The Council also delivered the 2019-20 £5.8m savings requirement in full. Overall, the Council's general fund increased by £3.8m in year from £130.1m to £133.9m as at 31 March 2020. <p>2020-21 and after</p> <ul style="list-style-type: none"> In common with all local authorities, as a result of the Covid-19 pandemic, 2020-21 is going to be a very challenging financial year. The Covid-19 pandemic has placed a significant strain on the 2020-21 revenue budget of £172.5m which includes savings targets of £7.4m. The Council is currently reporting an overall projected General Fund revenue overspend for 2020-21 of £33.5m before Covid funding. In the Council's Q1 budget monitoring report for 2020-21, it estimated a net overall impact of Covid-19 for 2020-21 to be £15.7m. Discussions with the S151 Officer at the date of this report noted that this figure is now c£17m and could increase further depending on possible further restrictions via lockdowns. The Council has a plan to mitigate this impact via a variety of measures, including a moratorium on non-essential spending, 'business as usual' underspends, placing elements of the investment programme on hold, and also by having the ability to draw on specific reserves

Value for Money conclusion

Value for Money Risks

Risks identified in our Audit Plan	How we responded to the risk	Findings and conclusions (as reported in our Audit Findings Report (ISA 260) – November 2020 to the full Council and October 2020 to the Audit Committee)
<p>Financial standing - delivery of 2019-20 budget and savings plan – continued</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 57</p>	<p>See page 13</p>	<ul style="list-style-type: none"> The Council is currently forecasting the additional costs arising as a result of Covid-19 will be in the region of £22m. This includes providing additional support to the social care market, supporting the most vulnerable in society, maintaining social distancing, providing personal protective equipment as well as the increased cost of delivering front line services. In addition to increased expenditure, a shortfall in income in the region of £18m is expected during 2020-21. This includes lost income from fees and charges totalling £8m, £4m in Council tax, £2m in business rates and £3m in housing rents, and other items of £1m. Therefore this gives a combined impact of Covid-19 of c£40m on the Council. Government has provided some financial support and to date, the Council has received £22.5m in funding. Further support has been announced for lost income from fees and charges, though details are yet to be announced. The Council has submitted a claim to MHCLG of £1.9m for the period to July 2020 and is currently awaiting payment which is due by the end of October. The Council has an agreed Covid-19 Financial Recovery Strategy comprising of two phases. Phase 1 deals with the emergency response and short-term recovery for 2020-21. Phase 2 is longer term recovery and sustainability for 2021-22 and beyond. The recently updated MTFS covers the period 2021-24 and was approved by the Cabinet in September. It highlights the need for savings efficiencies of £7.1m for 2021-22, with a further £3.3m in 2022-23 and £2.5m in 2023-24. There are detailed breakdowns of these efficiency targets. <p>Conclusion</p> <p>The Council operates under significant financial pressures, however, it continues to have effective arrangements in place to routinely monitor its budget and take appropriate action to mitigate against any significant variances or additional calls on resources. Whilst the Council has a savings target for 2020-21 of £7.4m, it has a good record of delivering the savings required and considers the savings targets are achievable.</p> <p>The impact of Covid-19 for 2019-20 was limited given its impact commenced during March 2020. The impact for 2020-21 has been estimated by the Council at £15.7m after central government grant funding of £22.5m.</p> <p>The impact of Covid-19 has had a significant impact on the Council from mid March 2020, with additional costs to support operational services, lost income, and implications of potential reduced council tax and business rates payments. The Council continues to effectively manage its financial position and is dealing with the impact of Covid-19. The Council has not had to contemplate an emergency budget to offset the impact of Covid and has plans in place to deal with the expected cost of Covid.</p> <p>We therefore concluded that there are appropriate arrangements in place for sustainable resource deployment. This supported our ‘clean’ unqualified VFM conclusion.</p>

Value for Money conclusion

Value for Money Risks continued

Risks identified in our Audit Plan in January 2020	How we responded to the risk	Findings and conclusions (as reported in our Audit Findings Report (ISA 260) – November 2020 to the full Council and October 2020 to the Audit Committee))
<p>Glassworks Project</p> <p>This scheme is one of the largest capital projects ever undertaken by the Council and set to be completed by summer of 2021. The project represents a significant financial investment with an estimated total cost of c£200m.</p> <p>Given the significance of the development to the Council's generation objectives, financial commitments, borrowings, the governance arrangements, this capital project will continue to be a key area of focus for our 2019-20 VFM review.</p> <p>As part of our Value for Money arrangements work we will continue to consider the Council's arrangements in place in relation to Glassworks project, specifically considering the continuing governance and risk management arrangements during the final phases of this project</p>	<p>As part of our work we:</p> <ul style="list-style-type: none"> continued to discuss Glasswork project as a key agenda item with senior management during our routine liaison meetings and understanding the progress and challenges to the Council reviewed key minutes of Glassworks Project Board meeting minutes for 2019-20 and beyond reviewed cabinet reports on Glassworks project and discussed matters with the senior management reviewed work done by Internal Audit, their findings and actions taken by the Council on Internal Audit recommendations reviewed the future leasing strategy report prepared by Queensbury (the Council's Development Manager for the project) 	<p>Our continuing focus in this area was around governance and risk management arrangements in place to secure economy, efficiency and effectiveness in Council's use of resources in the phase 2 of this key capital project. Our findings were as follows:</p> <p>2019-20 arrangements:</p> <ul style="list-style-type: none"> The Glassworks Project Board forms the key governance and risk management framework for this project. The Council continues to conduct Project Board Meetings on a monthly basis. They are attended by very senior officers of the Council including relevant executive and service directors from Place and Core service Directorates. It is also attended by the developers and project management companies. Therefore it is attended by key stakeholders of this project. There is a clear agenda with items covering the risk register, progress report, which in turn covers key issues and risks for phase 2, client issues raised by the developer and project managers, latest leasing updates and challenges to leasing. It also includes financial updates comparing budgets and actual outturn. The minutes are taken for each meeting and followed up in the next meeting. This process has continued throughout 2019-20. There is also a monthly progress report produced by the contractor and project management company which covers progress from the previous report and is issued monthly to the Council for discussion in Project Board meetings. The report covers key performance indicator review, health and safety matters, key risks to the project including a separate risk register, construction progress and a leasing update. SMT, Cabinet and the Scrutiny Committee all receive regular updates on the progress and ongoing challenges of the project. Our work notes that a new agenda item has been added since global Covid-19 pandemic started and Covid-19 impact has been discussed at each monthly meeting since middle of March 2020. The monthly Project Board meetings and progress reports have continued since the pandemic started in March 2020. We also reviewed the work undertaken by Council's internal auditors around governance and risk management arrangements of phase 2 of the Glasswork project. The findings were reported to the Audit Committee in December 2019. The overall conclusion was the governance arrangements in place were fit for purpose with some recommendations arising. Our discussions with management and internal audit has highlighted the recommendations have been implemented by early part of 2020. <p>Post-Covid-19 situation:</p> <ul style="list-style-type: none"> It is important to note that our responsibilities under the Audit Code, in order to issue our 2019-20 VFM conclusion, are to consider the adequacy of the Council's arrangements in place up to 31 March 2020. However, given the impact of the Covid pandemic from mid-March, and the potential implications that has for the Glassworks project, we have continued to discuss the scheme and consider updated reports on the project post 31 March.

Value for Money conclusion

Value for Money Risks continued

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions (as reported in our Audit Findings Report (ISA 260) – November 2020 to the full Council and October 2020 to the Audit Committee)
<p>Glassworks Project-continued</p>	<p>See page 14</p>	<p>Post-Covid-19 situation:</p> <ul style="list-style-type: none"> The Cabinet was updated in April 2020 on the expected impact of Covid19 on the Glasswork project including the delay in completing the project due to the impact of the lockdown on construction. The project is now expected to be completed in November 2021 compared to the original planned completion date of June 2021, subject to no further substantial impact on construction from the second wave of the pandemic. The April 2020 Cabinet report highlighted that Covid-19 is expected to have a real impact on the Glassworks project. For example, a number of food and retail businesses who were experiencing financial challenges prior to Covid have now gone into administration. Businesses that lease units in retail sites are focussing on their existing business and seeking payment holidays and rent reductions. There is also the risk in respect of people’s changing consumer behaviours towards retail as a result of the lockdown and increased use of on-line shopping for food and other consumer products. This creates a very challenging financial environment for the Glassworks project. Queensbury (the Council’s Development Manager for the project) have performed a review of the future leasing strategy of the Glassworks to reflect the long-term impact of Covid on the scheme. The report confirmed the challenging environment noted in the bullet point above. We note the Council took the decision to deliver the Glassworks project as a key strategic objective to regenerate the town centre. Our discussions with senior management note that all key anchor tenants remain in place, with no cancellations from those organisations who were signed up to the development prior to Covid. In addition, from a financial perspective, the Council’s MTFS has been updated to try to remove any reliance on income from the project. So this significantly de-risks the financial implications arising from the project. The Council remains committed to the Glassworks project as the key project to regenerate and reinvigorate the town centre. Given the current economic climate it will be important for the Council to ensure governance and financial risks continue to be closely monitored. Regular reporting to Cabinet and all Members should also be maintained. <p>Conclusion:</p> <p>The Council continued to have adequate governance and risk management arrangements in place for the Glasswork project during 2019-20. As such, we issued an unqualified ‘clean’ VFM conclusion in respect of the arrangements in place regarding the Glassworks. Although we have not noted any specific areas for concerns around governance and risk management of this project in 2019-20, the impact of Covid-19 could be significant on the future of the project. Given the prevailing economic climate, capital investment involved, uncertainty around leasing agreements, and the significance of the project for the Council, it is important that strong governance and financial controls are maintained and continued in relation to the Glassworks project. The Council should ensure the Audit Committee continues to be kept up to date with governance, financial health and overall arrangements in place for the project and the actions to mitigate any risks</p>

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and the provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	January 2020
Audit Findings (ISA260) Report	November 2020 to full Council and October 2020 to the Audit Committee
Annual Audit Letter	January 2021

Fees 2019-20

	Planned fees £	Actual fees £	2018-19 Actual fees £	2017-18 Actual fees KPMG £
PSAA scale fee	104,718	104,718	104,718	135,998
Audit fee variations (see page 17)	*20,850	**40,000	9,000	-
Total proposed fees	125,568	144,718	113,718	135,998

Audit fee variation

As outlined in our Audit Plan, the 2019-20 scale fee published by PSAA of £104,718 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. This was reported in our Audit Plan dated 14 January 2020 and has been updated to reflect the actual outturn as summarised on page 17 of this report.

Audit fee variation – continued

Our Audit Plan included a fee variation for £20,850 to take into account the additional audit work to be performed in relation to PPE, pensions and key areas of estimate and judgement. Over the past ten months the current Covid-19 pandemic has had a significant impact on all of our lives, both at work and at home. The impact of Covid-19 on the audit of the financial statements for 2019-20 has been multifaceted. This includes:

- Revisiting planning - we have needed to revisit our planning and refresh risk assessments, materiality and testing levels. This has resulted in the identification of a significant risk at the financial statements level in respect of Covid-19 necessitating the issuing of an addendum to our original audit plan as well as additional work on areas such as going concern and disclosures in accordance with IAS1 particularly in respect to material uncertainties.
- Management's assumptions and estimates - there is increased uncertainty over many estimates including property, pension and other investment valuations. Many of these valuations are impacted by the reduction in economic activity and we are required to understand and challenge the assumptions applied by management. We included an Emphasis of Matter in the Audit Report in respect of the material uncertainty on property values and the Council's proportion of investment properties from the South Yorkshire Pension Fund.
- Financial resilience assessment – we have been required to consider the financial resilience of audited bodies. This has increased the amount of work that we need to undertake on the sustainable resource deployment element of the VFM criteria necessitating enhanced and more detailed reporting in our ISA260. In addition, our work on the glasswork project significant VFM risk (reported at pages 14-15) included a considerable amount of additional work.

We have been discussing this issue with PSAA over the last few months and note these issues are similar to those experienced in the commercial sector and NHS. In both sectors there has been a recognition that audits will take longer with commercial audit deadlines also being extended by 4 months and NHS deadlines by a month. The FRC has also issued guidance to companies and auditors setting out its expectation that audit standards remain high and of additional work needed across all audits. The link attached <https://www.frc.org.uk/covid-19-guidance-and-advice> (see guidance for auditors) sets out the expectations of the FRC.

As a result of the above, increased costs have been incurred due to the additional time taken to deliver the audit this year. We have discussed the likelihood of an additional fee variation with the S151 Officer, noting an expected variation of 15% of the above planned fee, taking the proposed fee to £144,718. Please note that all proposed additional fee variations are subject to approval by PSAA in line with the Terms of Appointment.

A. Reports issued and fees – continued

Area	Reason	Planned variation £	Actual variation £
Pensions – IAS 19	<p>The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.</p> <p>Our work increased in this area during the audit as we considered the impact of:</p> <ul style="list-style-type: none"> • The McCloud and Goodwin judgements • The change in valuation from 31 January to 31 March • The findings arising from the Pension Fund auditor and the impact of this on our audit • Meetings with the Actuary to discuss their valuations <p>This culminated in an emphasis of matter in our audit opinion in relation to the valuation of the Council's share of the SYPF investment properties.</p>	3,500	10,000
Valuation – use of experts	<p>As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We increased the volume and scope of our audit work to reflect this including the use of a valuation expert. This culminated in an emphasis of matter in our audit opinion in relation the valuation of the Council's land and buildings as a result of the impact of Covid.</p>	9,350	15,000
Increased challenge and depth of work on accounts and VFM conclusion	<p>To meet the higher threshold set by the FRC, we have undertaken additional work and challenge in the following areas, including:</p> <ul style="list-style-type: none"> • information provided by the entity (IPE) (increased risk given challenges of remote working) • journals • management review of controls • accounting estimates • going concern • related parties and similar areas • detailed financial resilience review as part of our VFM work • review of governance arrangements in place for the Glassworks project 	5,000	10,000
Reduction in Materiality	<p>A reduction in materiality from 1.8% of the benchmark (gross expenditure in cost of services) to 1.5% - reflecting additional areas to audit and sample testing requirements, resulting from a lower level of materiality and a greater level of scrutiny and assurance.</p>	3,000	3,000
Covid-19	<p>Additional staffing costs associated with the impact of Covid-19 amounted to some £10,000 but we have absorbed 80% of this and propose an additional £2,000.</p>	0	2,000
Overall fee variation	See table on page 16	*20,850	**40,000

A. Reports issued and fees - continued

Non-audit fees for other services	Fee £
Audit Related Services:	
Housing Benefit Subsidy return 2019-20 **	19,000 [TBC work ongoing]
Certification of Teachers' Pension Return	6,000 (agreed and completed)
Pooling of Housing Capital Receipts	4,000 [TBC work ongoing]
Non-Audit Related Services:	
	-

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** The £19,000 is the base fee for Housing Benefit Subsidy certification. For each 40+ testing workbook undertaken:
 £2,200 – where the work is completed by the Council and re-performed by Grant Thornton
 £4,400 – where the work is undertaken by Grant Thornton

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table alongside summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.



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Item 9

Report of the Service Director
Business Improvement, Human Resources &
Communications

Audit and Governance Committee – 20 January
2021

Business Improvement, Human Resources and Communications Governance Domain Update Report

1. Purpose of Report

- 1.1. To give an overview of the functions of the Business Improvement, Human Resources and Communications Business Unit.
- 1.2. To provide an update to the Committee regarding progress against the assurance programme in the areas of Performance Management and Equality and Inclusion.

2. Functions of the Business Unit

- 2.1. The Business Unit has seven broad functions reporting to the Service Director, Business Improvement, Human Resources and Communications:

- Business Improvement and Intelligence
- Communications and Marketing
- Corporate Programmes, Projects, Feedback and Improvement
- Equality and Inclusion
- Organisation and Workforce Development (including the Member Development function)
- HR Business Advisory, Employee Wellbeing and Reward
- Recruitment and HR Traded Services

- 2.2. The core purpose of the business unit is to,

'Provide high quality, value for money, customer focussed, professional and strategic core services'.

The Business Unit is responsible for driving and delivering business improvement and communications to ensure the organisation is a customer focussed, modern, efficient and commercial minded Future Council.

3. **Related Elements of the Annual Governance Statement**

3.1. The business unit has a role in ensuring assurance against the following elements of the Annual Governance Statement:

- **Management Arrangements** – services can demonstrate compliance with the Managing People Framework through the completion of Performance and Development Reviews (P&DR) and managing absence through the Managing Attendance Policy.
- **Business Improvement and Intelligence** –support the development of the new Council Plan for 2021-24 and continue to support the current Corporate Plan to illustrate progress achieved in delivering the priorities and outcomes for the organisation.
- **Equality and Inclusion** – Legal obligations fall into two areas: the need to pay ‘due regard’ to the public sector equality duty, and the requirement to publish specific information. Directorates demonstrate compliance with the equality duty through completion of equality impact assessments. Information compliance is achieved through our external facing website.

Business Improvement and Intelligence

3.2. The Business Improvement and Intelligence team (BII) supports the development of performance frameworks and co-ordinates performance management arrangements across our organisation, ensuring a consistent and coherent approach.

3.3. The BII team delivers the Corporate Plan Performance report on a quarterly basis, to provide an overview of the council’s latest performance, drawing upon information available for each quarter, and to illustrate progress achieved in delivering the priorities and outcomes of the Corporate Plan 2017-2020. The plan is scrutinised by directorate management meetings and SMT before being shared with Cabinet and then publicly released.

3.4. The Corporate Plan contains three priorities, supported by 12 outcomes. It outlines what the council has committed to undertake in order to deliver the priorities, but it is

also recognised that the council is not solely accountable for delivering these outcomes, as it works in partnership with other organisations.

- 3.5. The framework identifies what the council is seeking to achieve for the people of Barnsley, as defined in our key strategies and plans, and a series of objectives which focus on specific areas of service delivery and support for the borough and its residents.
- 3.6. The Corporate Plan has continued to be produced throughout 2020-2021 even with the impact of COVID-19, as it is essential the council continues to monitor progress towards the key priorities and how key outcomes may have been impacted by the pandemic.
- 3.7. To support the delivery of the Corporate Performance Plan and to communicate the progress against the Outcomes Framework, 2 products are produced for the public:
 - The Corporate Plan Performance Report
 - Power BI online report that includes all associated key performance indicators
- 3.8. The Power BI online report is a self-service report that allows users to review the red/amber/green status of each of the key corporate indicators that are measured each quarter and allows the user to view progress over time (quarterly or annually).
- 3.9. The BII team is currently working on the next Council Plan for 2021-2024, which will be influenced by the extensive consultation that has been undertaken for the Barnsley 2030 project. This consultation has resulted in public and partner organisations identifying key themes to improve across the borough, some of which will require collaborative efforts to achieve over the next 10 years.
- 3.10. The new Council Plan will incorporate the findings from the Barnsley 2030 work that are relevant for a 3-year plan, as well as other key council initiatives such as Zero Carbon and the Inclusive Economy work taking place.

Equality and Inclusion

3.11. The public sector Equality Duty (PSED), at section 149 Equality Act 2010, is a duty on public bodies to consider, in their day-to-day work, the needs of people who share particular protected characteristics. There are three aims to the duty stating the Council must pay 'due regard' to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a particular protected characteristic and people who do not share it.
- Foster good relations between people who share a particular protected characteristic and people who do not share it.

3.12. The Council complies with the PSED by conducting Equality Impact Assessments (EIA). The assessment provides a prediction of how the 'work' could impact different groups. This ensures that the organisation does not discriminate unlawfully against a person or group of people, and actively promotes equality. If the assessment predicts possible negative impacts for certain groups, then mitigations are required. The EIA template provides an audit trail to record the equality related decision-making process.

3.13. A Pre-Screening Assessment was introduced in 2020. This is a simple series of questions that assess whether the 'work' has any equalities relevance. Work that has no relevance to equality does not need to complete a full EIA, therefore providing a proportionate approach to the duty.

3.14. An Aggregated Equality Impact Assessment was conducted against the proposed budget efficiency savings for 2021-22. The assessment considered whether: any of the savings could impact different groups of people protected by law; there could be a negative cumulative impact against a group; and whether there could be additional negative impact on groups most impacted by Covid-19. The assessment concluded that at present, efficiency proposals are not predicted to have an adverse impact on protected groups.

- 3.15. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 require public bodies to publish relevant, proportionate information demonstrating their compliance with the Equality Duty (annually); and to set specific, measurable objectives (at least every four years) to demonstrate compliance with one or more of the aims of the Public Sector Equality Duty. The information required must include:
- Information relating to employees who share protected characteristics
 - Information relating to people who are affected by the public body's policies and practices who share protected characteristics (for example residents).

Compliance is achieved through various publications on the external Council website.

- 3.16. Work has started to produce new equality objectives which will align to key themes from the new Council Plan.
- 3.17. Implementation of the Success Factors solution will provide an opportunity to improve the demographic data of employees. A communications plan will accompany the launch to encourage staff to update the information held about themselves.
- 3.18. The procurement process was updated during 2020. All procurement activity must now show 'due regard' to equality considerations. Previously work with a value under 20k did not need to consider equality.
- 3.19. Work is on-going to update and strengthen compliance through changes to the Cabinet Report Template. It will become mandatory for Officers to complete the 'Equality Impact' section of the template, which currently is optional.
- 3.20. In addition to the above, work is ongoing as part of the Annual Governance Statement 2019/20 Action Plan. This includes:
- The Council Equality and Inclusion Policy has been updated and published.
 - Training courses are now available on 'Unconscious Bias', 'Uncomfortable Conversations' and 'Uncomfortable Truth' to promote the Black Lives Matter movement and help build an inclusive culture.

- Power BI dashboard has been produced to show equality and inclusion training completions within business units and directorates, with a view to increasing take up of these.
- Religious Observance guidance has been produced to raise awareness of the different religious or cultural beliefs and help build an inclusive culture.
- An Equality, Diversity and Inclusion Action Plan is being drafted to support delivery of the equality objectives mentioned previously.

4. Conclusion / Recommendations

4.1. This report is for information

5. Background papers

5.1. Business Improvement, Human Resources and Communications Business and Delivery Plans and Annual Governance Statement are available for inspection.

Report Author: Michael Potter

Date 11 January 2021

Item 10

BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR OF CORE SERVICES TO CABINET ON 16 DECEMBER 2020

LGA Recovery & Renewal Panel Findings

1. PURPOSE OF REPORT

- 1.1 To inform cabinet of the findings from the Local Government Association (LGA) Recovery and Renewal panel that took place on 20th August 2020.

2. RECOMMENDATIONS

- 2.1 **That cabinet note the areas of good practice identified and are informed and assured on the progress against areas for further consideration.**

3. INTRODUCTION

- 3.1 On 20 August 2020, Barnsley Metropolitan Borough Council took part in an LGA Recovery and Renewal Panel. Within the overarching theme of recovery and renewal. The council and the panel:

1. Reflected on the Council's response to the COVID-19 crisis
2. Discussed the immediate priorities for Barnsley in the Borough's recovery and renewal and
3. Considered the impact of the crisis on the longer term aims and ambitions of the Council.

- 3.2 Background to the review

- Due to the COVID 19 pandemic the LGA suspended the physical delivery of all peer challenge work. To continue to support councils the LGA refocused its support and adopted a new remote peer support approach. The panel review was primarily there to support improvement.

- 3.3 The panel discussion involved the following participants:

- From the authority:-
 - Sir Stephen Houghton; Sarah Norman; Shokat Lal; Paul Castle;
- Representing the LGA:-
 - Cllr Graham Chapman (Nottingham City Council and LGA Lead Peer for Yorkshire and the Humber),
 - Kath O'Dwyer (Chief Executive, St. Helens Council)
 - Ernest Opuni (Improvement Manager, LGA).
 - Judith Hurcombe (Programme Manager, LGA)

3.4 Findings from the panel;

- The review recognised the hard work the officers and members had undertaken to support the communities of the borough; often going 'above & beyond' what might be expect of us.
- The council's response is thoughtful, strategic and long term – this is consistent with the council being people focused. The first 12-18 months is on focusing on standing up, then recovery.
- The council is seeing the opportunity and need to do things differently (e.g. diverting £43m planned investment and clear consideration of what is still relevant)
- There is sound financial planning which has enabled the council's own resources to support businesses & the economy ahead of central government allocations; balanced budget for this year and next.

3.5 The review acknowledged the joint work undertaken across the Local Resilience Forum in South Yorkshire. Recognising:

- The authorities' role leading the strategic response & recovery coordination group
- The development of the strategic approach to recovery, notably to restart services that had been paused through the pandemic; the approach to recover services throughout the borough; and the longer term recovery activity to new levels of normality.

3.6 Some specific examples of good practice recognised by the peer team were;

- **Our demonstration of clear and determined leadership of place**
 - Early payment of business grants and pro-active advice provided through Enterprising Barnsley
 - Responding to local need through early and comprehensive support to care homes
- **Effective partnership working arrangements**
 - Focus on identifying and supporting vulnerable communities was underpinned by pre-existing neighbourhood working structure and the effective involvement Area Teams and as well as work with Barnsley CVS.
 - The strong partnership with schools ensured these were opened on time in line with central government timeframes whilst focusing on managing vulnerability risks and addressing educational disadvantage.
- **One Council Organisational response**
 - Smart working plans were accelerated at pace allowing for a speedy shift to homeworking.
 - There was rapid movement to virtual full council, cabinet and other meetings such as regulatory, audit, scrutiny and area councils.
 - Staff were redeployed to support vulnerable members of the community and maintain key services.
 - This has been underpinned by a clear focus on wider staff health and wellbeing being monitored through surveys and regular Microsoft Teams events.

3.7 Some areas to consider going forward;

As part of the review the panel undertook a desktop study to consider key recovery documentation that the authority had produced, notably governance documentation; the response & recovery strategy; impact assessments; thematic recovery strategies and plans;

- *It is clear through the discussion what Barnsley’s strategic priorities and objectives are and how they connect. It is less clear from the range of documents in existence. There would be value in bringing this all together as part of a simplified clear and coherent narrative supporting the post-Covid reset of the 2030 vision for Barnsley.*
- *Think about how we can use volunteers more widely and maintain positive engagement beyond the crisis is something the council is keen to explore.*
- *Jobs-led recovery ambitions need to be further developed to ensure that both the response and the recovery aspects are managed in tandem*
- *Are we sufficiently applying the modernisation opportunities afforded by the crisis comprehensively across all areas of the council?*
- *To use the strong partnership with schools to develop a clear plan to tackle increased educational disadvantage as a result of the pandemic.*
- *To further use the Area Council structures and the route for community engagement and mobilisation of volunteers to support a jobs-led recovery as well as in mental health and community support?*
- *We need to be sufficiently prepared for the magnitude of the changes in the retail and office markets.*

3.8 Reflection on the panel’s identified areas to consider going forward

- The authority accepts the areas to consider going forward and is incorporating these points in a simplified strategic narrative of Barnsley 2030. The council recognises and can evidence the impacts that Covid-19 is having on the wellbeing, economic and health of the communities and is incorporating this into the recovery work across the borough and South Yorkshire
- The authority recognises that new normalities created by the pandemic has will have impacted upon people’s values and that it needs to reflect this in the Barnsley 2030 ambitions and council plans.

Area of consideration identified by the panel:

Area identified	Progress and Further Actions
<p><i>It is clear through the discussion what Barnsley’s strategic priorities and objectives are and how they connect. It is less clear from the range of documents in existence. There would be value in bringing this all together as part of a simplified clear and coherent narrative supporting the post-Covid reset of the 2030 vision for Barnsley.</i></p>	<p>The Barnsley 2030 vision is at an advanced stage. The vision will set out the overall strategic direction for Barnsley and will be the golden thread for all other plans and initiatives – ensuring there is clear connectivity and alignment and the Barnsley story is owned and understood not only by the Council but the place as a whole.</p>

Area identified	Progress and Further Actions
<p><i>Think about how we can use volunteers more widely and maintain positive engagement beyond the crisis is something the council is keen to explore.</i></p>	<p>The Council has a strong track record in this area but are keen to further develop the Leadership of the CVS. To that end a CVS strategy group is now established to further develop their role within volunteering which alongside further efforts within the council to develop a more co-ordinated approach to volunteering we will be in an even stronger position.</p>
<p><i>Jobs-led recovery ambitions need to be further developed to ensure that both the response and the recovery aspects are managed in tandem</i></p>	<p>Our work during this response phase has centred on balancing response and recovery activity to minimise the impact of any redundancies with intensive employment support to move people into vacancies and/or areas of employment growth with support to business growth/inward investments and future skills. Supporting businesses through our Enterprise Barnsley helpdesk has been essential to provide frontline support and guidance to businesses signposting them to national and regional support.</p> <p>Additionally, our local COVID Business support response provides a triage services to local businesses. Recovery work is running in parallel in respect of activity such as the High Street Recovery Plan, shaping the Sheffield City Region business recovery plan and more recently kickstarting a local Barnsley Economic Recovery plan to bridge the gaps in national and local support.</p>
<p><i>Are we sufficiently applying the modernisation opportunities afforded by the crisis comprehensively across all areas of the council</i></p>	<p>A considerable amount of work has already been done identifying the opportunities; looking at the workforce, accommodation and technology. We have developed our <i>be even better strategy</i> which will inform the new Council plan and is aligned to the council's MTFS.</p> <p>Our emerging corporate strategy to support the Barnsley 2030 work sets out key design principles centred around empowering and connecting communities & providing greater consistent end-to-end services to our customers. These points are fundamental to modernising services consistently.</p> <p>It is also recognised that modernisation across systems has to be done in partnership with other organisations particularly around care services.</p>

Area identified	Progress and Further Actions
<i>To use the strong partnership with schools to develop a clear plan to tackle increased educational disadvantage as a result of the pandemic.</i>	This is already part of our education improvement strategy. Covid has undoubtedly changed the context of this work, and the Alliance is committed to reducing educational disadvantage whilst developing inclusive provision alongside our SEND strategy. With a very present focus in this response phase on supporting children's lost learning and the cohort of children and young people who will be sitting examinations. Collaborative working improvements brought through the joint focus of the pandemic will support us to accelerate some of this work within our strategies.
<i>To further use the Area Council structures and the route for community engagement and mobilisation of volunteers to support a jobs-led recovery as well as in mental health and community support?</i>	<p>Area councils continue to fulfil a strong leadership role across our neighbourhoods and we recognised the pivotal role area councils have to play in response, recovery and beyond.</p> <p>Work is underway to ensure a focus on local economies and skills alongside health and wellbeing. Relationships between teams across Place and Communities continue to be strengthened to ensure a co-ordinated and value-added approach is delivered.</p>
<i>We need to be sufficiently prepared for the magnitude of the changes in the retail and office markets.</i>	<p>It is recognised, both locally and nationally, that the pandemic will change the requirements of office accommodation. Many organisations, including our own, have found the benefits of smart working initiatives and practices. How, and to what extent this will reduce demand for office accommodation is not known at this stage. Furthermore, we are currently undertaking a strategic review of our commercial property portfolio.</p> <p>What is known is that with less people in our town centres the demand for retail will change. More online shopping may see an increase in demand for distribution centres and the like and we continue to monitor footfall through this period. Albeit, our strategies and masterplans to support Glassworks, principal towns and the like will need to be reviewed in line with changing market conditions.</p>

4. PROPOSAL AND JUSTIFICATION

4.1 N/A

5. CONSIDERATION OF ALTERNATIVE APPROACHES

5.1 N/A

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

6.1 Any improvements that we make will ultimately have an impact on local people and service users. This is particularly true of improvements to delivery of outcomes through our Area Council Arrangements and the intensive support currently being provided to care homes, and ultimately service users.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct implications following from this report. The financial implications arising from the findings of the Recovery and Renewal panel in supporting the post-Covid reset of the 2030 vision for Barnsley, will be considered as part of the councils overall improvement and transformation programme. This will complement the councils new 2021-24 corporate plan and 2030 place based outcomes, and will be subject to further reports.

8. EMPLOYEE IMPLICATIONS

8.1 The future of smart working and asking ourselves whether we are able to “go back” will undoubtedly have an impact on employees. We need to ensure that employee wellbeing is a key part of any strategy going forward.

9. LEGAL IMPLICATIONS

9.1 None Identified

10. CUSTOMER AND DIGITAL IMPLICATIONS

10.1 None Identified

11. COMMUNICATIONS IMPLICATIONS

11.1 Communications continues to be our channel for communicating with residents. There will be communications implications arising, but as yet they are undefined.

12. CONSULTATIONS

12.1 NA

13. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1 The new council plan 2021 will be the vehicle for consolidating the council's priorities and outcomes in to a single narrative.

14. LIST OF APPENDICES

Appendix 1: BMBC Recovery and Renewal Panel Final Report

15. BACKGROUND PAPERS

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

Report author: Shokat Lal/Jill Bills

Financial Implications/Consultation



.....
*(To be signed by senior Financial Services officer
where no financial implications)*

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Barnsley Metropolitan Borough Council

LGA Recovery & Renewal Panel

Key Reflections

20 August 2020

Introduction

LGA Recovery and Renewal Panel sessions provide an opportunity for the Leader, Chief Executive and any other individuals identified by the receiving council to come together, virtually, with peers to:

- Reflect on what the Council has achieved and learnt in responding to the COVID-19 pandemic.
- Discuss with peers the challenges and opportunities COVID-19 has presented for the Council and local area.
- Consider the steps you wish to take towards recovery/renewal.

The sessions help to identify a series of steps the Council may wish to take as well as identifying further support and good practice from across the sector.

On 20 August 2020, Barnsley Metropolitan Borough Council undertook an LGA Recovery and Renewal Panel. Within the overarching theme of recovery and renewal the council and the panel:

1. Reflected on the Council's response to the COVID-19 crisis
2. Discussed the immediate priorities for Barnsley in the Borough's recovery and renewal and
3. Considered the impact of the crisis on the longer term aims and ambitions of the Council.

The panel discussion involved the following participants:

- Councillor Sir Stephen Houghton (Leader, Barnsley Metropolitan Borough Council),
- Sarah Norman (Chief Executive, Barnsley Metropolitan Borough Council),
- Shokat Lal (Executive Director, Core Services, Barnsley Metropolitan Borough Council),
- Paul Castle (Service Director, Environment and Transport, Barnsley Metropolitan Borough Council)
- Cllr Graham Chapman (Nottingham City Council and LGA Lead Peer for Yorkshire and the Humber),
- Kath O'Dwyer (Chief Executive, St. Helens Council)
- Ernest Opuni (Improvement Manager, LGA).
- Judith Hurcombe (Programme Manager, LGA)

Background to the LGA Recovery and Renewal Panel offer

Due to the COVID-19 pandemic and the commencement of 'lockdown' in March 2020, the LGA suspended the physical delivery of all peer challenge work including the core offer of a Corporate Peer Challenge.

To continue to support councils during this unprecedented period, the LGA refocused its support and adopted a new remote approach. This new approach does not replace

the LGA Corporate Peer Challenge offer and is distinct and different. This project was delivered through the LGA's offer of 'Remote Peer Support' and the Recovery and Renewal Panels are one part of that remote offer. This work is there to primarily support improvement rather than providing concrete assurance and should be treated as such. This note acts a high-level summary of the key reflections from this more detailed discussion.

Key Reflections

Over recent months, Barnsley Metropolitan Borough Council has worked hard to support local communities and businesses through the COVID-19 pandemic. This has often involved going 'above and beyond' what might be expected of a council in more 'normal' times.

As part of this panel discussion, some examples of the Council's response over this period were considered.

- **Demonstration of clear and determined leadership of place.** The Council's determination to support local businesses was exemplified by the early payment of business grants and proactive advice provision through Enterprising Barnsley. This was further demonstrated via the provision of early and comprehensive support to care homes. The council can take credit for seizing the initiative in advance of government guidelines in order to respond to a local need.
- **Effective partnership working arrangements.** Barnsley chair the South Yorkshire LRF, Sub-Regional Health and Social Care Gold and South Yorkshire Transport Executive Board. The council's focus on identifying and supporting vulnerable communities was underpinned by its pre-existing neighbourhood working structure and the effective involvement of its Area Teams and as well as work with Barnsley CVS. The strong partnership with schools ensured these were opened on time in line with central government timeframes whilst focusing on managing vulnerability risks and addressing educational disadvantage by provision of laptops to support those without equipment in their homes. The council also took advantage of the crisis to collaborate more effectively with partners over data sharing which greatly reduced bureaucracy and allowed it to move quickly to identify vulnerability within its local population.
- **One Council Organisational response.** Smart working plans were accelerated at pace allowing for a speedy shift to homeworking. There was rapid movement to virtual full council, cabinet and other meetings such as regulatory, audit, scrutiny and area councils. Staff were redeployed to support vulnerable members of the community and maintain key services. This has been underpinned by a clear focus on wider staff health and wellbeing being monitored through surveys and regular Microsoft Teams events.

The council's response has been thoughtful, strategic and long term which is consistent with Barnsley Metropolitan Borough Council (BMBC) being a people focused organisation. There has been clear demonstration of adaptive leadership and it is heartening to see how the council has pulled together over the last 3 months.

The support provided to Members has been positive, demonstrated by the concerted effort to keeping in touch via Teams and through virtual workshops, learning from members' experiences 'on the ground'. Opportunities have been taken to revisit member development in order to maximise capacity for them to feed in on the ground issues as effectively as possible. More widely, the effective and proactive communications have been a corporate priority over the pandemic period as evidenced by a letter to residents signed jointly by the Leader, Chief Executive and Director of Public Health.

There has been good partnership working with external stakeholders such as schools, academies and businesses throughout the crisis. The foundations for these relationships pre-date Covid, meaning that the environment for effective collaboration already had strong foundations when the pandemic hit. Barnsley's leadership roles sub-regionally is clear within Local Resilience Forum arrangements and in the region more widely.

There is sound financial planning which has enabled the council's own resources to support businesses and the economy ahead of central government allocations being received. The council has achieved a balanced budget for this year and next. The council is developing internal outbreak planning within services to support business continuity.

Moving forward the council is seeing the opportunity and need to do things differently. This has been demonstrated by the diversion of £43m of planned investment through prioritisation and clear consideration of what is still relevant for the present time. The priority over the next 12-18 months is on focusing on shoring up the borough's economy and services in the short term and then driving forward a fuller, longer term recovery from this base. The council has proactively used its strong neighbourhood working model in order to support its local Covid 19 response.

The council is able to demonstrate a qualitative approach to providing support which is very much in keeping with its focus on being a 'people first' council. This has been demonstrated in the council's keen focus on the impacts of the pandemic on its staff via the council's 'Pulse' survey. There is also targeted support at young people and towards businesses via Chamber of Commerce and the Borough's Enterprising Barnsley initiative.

This council's recognises that the support required by care homes and their staff is not only practical and operational but also psychological. This approach is exemplified by the way the Council interacts with the care sector and its staff. Consequently, the council is seeking to encourage local people to enter the care profession as a career. This reflects a clear recognition of the need to support the reshaping of the local care homes sector in a strategic fashion. The council is very aware that the current picture of over-supply of care homes and paying enhanced rates for care staff may not be sustainable long term and it is likely that difficult discussions with care home-owners will be necessary in the short to medium term.

The council is keen to reassure itself about the robustness of its plans to re-open the town centre. The Council had undertaken an evidence-based retail & hospitality

impact assessment which has helped to identify the level of impact and inform recovery actions. Actions include, undertaking, a mystery shopper exercise to test the effectiveness of measures to enable the safe re-opening of Barnsley's town centre, the introduction of a customer loyalty/gift card and establishment of a dedicated Town Centre strategic management group. Furthermore, Barnsley Council is keen to ensure that any work undertaken in the Town Centre is also replicated across the Principal Towns. The council is also being very careful about understanding the wider impact on properties in the town centre through displacement, economic contraction and proposed changes in the planning approval system. The Council is therefore actively reviewing the wider Town Centre strategy with a view to understanding and responding to these challenges. It is likely that part of this thinking will include the council bringing forward an empty buildings strategy.

Moving forward

As part of this panel discussion, the panel raised a number of areas to which it would encourage the Council to give further consideration.

- Through the discussion it was clear what Barnsley's strategic priorities and objectives are and how they connect. However, it is not as a clear and coherent from the wide range of documents in existence. The team feels that there would be significant value in bringing this all together as part of a simplified clear and coherent narrative supporting the post-Covid reset of the 2030 vision for Barnsley.
- How to use Covid volunteers more widely and maintain positive engagement beyond the crisis is something the council is keen to explore
- Jobs-led recovery ambitions are to be further developed. Whilst the challenge of considering 'recovery' priorities alongside a 'response' capability is significant, it will be important to manage the two in tandem if a jobs-led recovery is to secure the hoped-for traction and sustainability. The council is already very aware of the need to do this and the team would encourage the council to maintain this valuable dual focus.
- The team would encourage Barnsley Council to consider whether it is applying the modernisation opportunities afforded by the crisis comprehensively across all of the council. There is clearly a change in the way 'normal' will be defined looking into the future, but it will be important for a clear, consistent and coherent view of future arrangements to emerge which meets and manages the expectations of both members and officers.
- There would appear to be an opportunity, as part of the ongoing recovery, for Barnsley Council to use its already strong partnership with schools to develop a clear plan for tackling increased educational disadvantage resulting from lost learning during the pandemic. Barnsley is well placed because of its history of strong collaboration to make greater in-roads than many other areas in this aspect of its recovery.
- Barnsley's Area Councils and its neighbourhood working more generally are a particular strength of the Borough. There may be opportunities for further use of these structures and this route for community engagement and the mobilisation of volunteers who came forward in the pandemic to support jobs-led recovery as well as in mental health and community support.

- The Leader of the council is aware of the structural changes in the retail and office markets. However, the council needs to consider whether it is sufficiently prepared for the magnitude of the changes.

Final thoughts and next steps

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this. Mark Edgell (Principal Adviser) is the main point of contact between the council and the Local Government Association (LGA). His e-mail address is mark.edgell@local.gov.uk

AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME

2020/2021 Municipal Year

	Mtg. No.	1	2	3	4	Dev. Meeting	5	6	7	8
Committee Work Area	Contact / Author	3.06.20	29.07.20	16.09.20	28.10.20	28.10.20	02.12.20	20.01.21	17.03.21	14.04.21
Committee Arrangements										
Committee Work Programme	AS	X	X	X	X		X	X	X	X
Minutes/Actions Arising	WW	X	X	X	X		X	X	X	X
Review of Terms of Reference	AS					X				
Self-Assessment Review	AS					X				
Internal Control and Governance Environment										
Local Code of Corporate Governance	MMc/AS		X							
Annual Governance Review Process	AS	X						X		
Annual Governance Statement (Draft/Final)	AS				X F					
AGS Action Plan Update	AS	X							X	X
Confidential Reporting (Whistleblowing) Annual Report	SLa/RW								X	
Anti-Fraud										
Annual Fraud Report	RW	X								
Corporate Anti-Fraud Strategy	RW								X	
Corporate Fraud Team - Report	RW			X					X	
Corporate Risk Management										
Risk Management Update	AS	X	X				X	X		
Risk Management Policy & Strategy	AS								X	
Annual Report	AS									X
Strategic Risk Register	AS								X	
Internal Audit										
Internal Audit Charter (Annual)	RW	X							X	

	Mtg. No.	1	2	3	4	Dev. Meeting	5	6	7	8
Committee Work Area	Contact / Author	3.06.20	29.07.20	16.09.20	28.10.20	28.10.20	02.12.20	20.01.21	17.03.21	14.04.21
Internal Audit Consultation / Plan	RW	X	X					X	X	X
Internal Audit Quarterly Report	RW		X				X	X		X
Internal Audit Annual Report	RW	X	X							
Annual Review of the Effectiveness of IA	RW									X
External Audit (Grant Thornton)										
Annual Governance Report (ISA260 Report)	GT				X					
Audit Plan	GT								X	
Annual Audit Letter	GT							X		
Annual Fees Letter	GT									
External Audit – IT SAP Report	GT			X						
External Audit Progress Report	GT	X	X	X			X	X	X	X
Financial Reporting and Accounts										
Financial Regulations – Update	NC/SLo						X			
Statement of Accounts (Draft / Final)	NC				X F					
Corporate Finance and Performance Management & Capital Programme Update	NC			X			X		X	
Treasury Management Annual Report	NC/SW		X							
Treasury Management Progress Report	NC/SW						X			
Treasury Management Policy & Strategy Statement	NC								X	
Other Corporate Functions contributing to overall assurance programme to be determined:										
Update on Glassworks	MG	X					X		X	
Update on Covid-19 Response	SLa	X					X	X*		X
Information Governance and Cyber Security update (twice yearly)	SJH	X					X			
DPO Update (twice yearly)	RW	X					X			

	Mtg. No.	1	2	3	4	Dev. Meeting	5	6	7	8
Committee Work Area	Contact / Author	3.06.20	29.07.20	16.09.20	28.10.20	28.10.20	02.12.20	20.01.21	17.03.21	14.04.21
Human Resources (annual)	MP/JH			(X)					X	
Health & Safety Resilience (Annual***)	MP/SD						X			
Business Continuity/Emergency Resilience (Annual)	MP/SD									
Procurement (Annual)	NC/CA		(X)							
Performance Management (Annual)	MP/MR	(X)						X		
Asset Management (Annual)	DS								X	
Ethical Framework (Annual)	SLa/RW		(X)							
Equality and Inclusion (Annual)	MP/HD							X		
Partnerships (Annual)	MMc	(X)								
Insurance Claims (Annual)	NC/DC			(X)						
Local Government and Social Care Ombudsman Annual Letter	MP/KL			(X)			X			

(X) – future years

*LGA Recovery and Renewal Panel Report – Cabinet 16th December

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