

MEETING:	Audit and Governance Committee
DATE:	Wednesday, 13 April 2022
TIME:	4.00 pm
VENUE:	Reception Room, Barnsley Town Hall

MINUTES

Present Councillors Lofts (Chair) and Hunt together with Independent Members - Ms K Armitage, Mr S Gill, Mr P Johnson and Mr M Marks

86. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

87. MINUTES

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

88. REVIEW OF THE TERMS OF REFERENCE

The Executive Director Core Services submitted a report presenting, for approval, the proposed revised Terms of Reference (ToR) of the Committee as detailed within Appendix 1 attached to the report.

The Committee had considered the Terms of Reference at the Development Session held in October 2021 and relatively minor changes had been proposed to list the areas of governance that fell within the Committee's remit and an update on the Committee's responsibility in considering any payments in excess of £2,000 as directed by the Local Government and Social Care Ombudsman. The Committee further considered the Terms of Reference within a review of the Committee in February, 2022. The feedback from Members of the Committee identified no additional areas for amendment in the Terms of Reference.

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

- Further consideration would be given to whether or not to include within the Terms of Reference the risks associated with third party attacks/cyber-attacks. It was noted, however, that such types of issues were picked up within other policies and strategies within the ToR which considered, for example, strategic risks
- There was a discussion of the interaction between Cabinet, Scrutiny and this Committee and whether or not the Terms of Reference should specifically reflect such arrangements. It was noted that whilst not explicitly outlined within the Terms of Reference, arrangements were nevertheless currently in place. The Chair of Scrutiny met with the Chair of this Committee as and when required and he, together with the Cabinet Spokesperson for Core Services would be more than willing to attend this Committee if required. It

was generally felt that the current arrangements were transparent and there was, therefore, probably no reason to amend the current Terms of Reference

RECOMMENDED TO FULL COUNCIL that the Terms of Reference as now amended and as detailed within Appendix 1 to the report be approved.

89. STRATEGIC CONCERNS/RISK REGISTER

Kathy McArdle (Service Director Regeneration and Culture) assisted by Sarah Cartwright (Head of Strategic Housing, Sustainability and Climate Change) attended the meeting to discuss the strategic risks associate with Zero Carbon and the wider environmental commitments which aimed to ensure that the Council had constant regard to its zero carbon, climate and environmental commitments in how it delivered services and acted as a community leader.

Information was provided about the status and current risk and response rating in relation to the six Actions associated with this risk and details were provided about the completion and review dates as well as the work that was currently being undertaken to address these actions.

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

- In response to questioning, a detailed description of the work currently being undertaken against each Action area was provided.
- Information was provided about the development of future homes standards and work being undertaken with Planning and Building Control. Reference was also made of the work required to the Councils own housing stock and to the work ongoing with private landlords. Arising out of this reference was also made to the difficulties in retrofitting current housing stock to meet future zero carbon requirements and environmental needs
- Reference was particularly made to the funding difficulties associated with the above development plans and to the funding deficit from government. Plans were in place to try to address funding issues which might involve the need to seek private sector funding. It was important to realise that the issues identified were not unique to Barnsley.
- It was acknowledged that some housing stock may have to be demolished as it would be impossible to meet new targets/standards, however, it was also noted that there was a carbon impact of building new homes

Shokat Lal (Executive Director Core Services) then discussed the two strategic risks Organisational Resilience and the Threat of Fraud against the Council.

In relation to Organisational Resilience, there was a need to understand issues around leadership, general workforce capacity and welfare (exhaustion, fragility), to recognise that the organisational resilience was not as high as it was pre-pandemic and, therefore, to continue to find ways for the organisation to recover post pandemic.

In relation to the Threat of Fraud against the Council, there was a need to ensure that all services were aware of and constantly assessing fraud threats and that employee understanding and awareness of potential fraud was good and constantly reviewed.

There were five Actions associated with each of the above risks and details were provided about the completion and review dates as well as the work that was currently being undertaken to address these actions

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

- The Head of Internal Audit, Anti-Fraud and Assurance reminded Member that aspects of the Threat of Fraud against the Council had been referenced within the External Auditors report submitted to the last meeting. It was important to ensure a consistent approach in relation to this risk and to encourage services to continually consider risk vulnerabilities and ensure that plans were put in place to minimise risk. In relation to Cyber attack Members would recall presentations made by himself and by the Head of Service Design and Compliance to previous meetings. It could never be said that all attacks could be prevented, however, the Committee should be assured that the Council was doing all it could to minimise such risks
- The Committee was reminded that the Authority had 10 Business Units each with their own Head of Service. Information about the structure of the organisation could be made available for Members on the extranet. Arising out of the above, the way in which strategies to minimise the Threat of Fraud were cascaded to all staff was outlined. This included online courses and training
- In response to specific questioning, the Head of Internal Audit, Anti-Fraud and Assurance outlined the rationale as to why each strategic risk was categorised as it was. It was pleasing to note, however, that each action within the Threat of Fraud strategic risk had been RAG rated as green

RESOLVED that thanks be given for the updates and the updates be noted.

90. CONFIDENTIAL REPORTING (WHISTLEBLOWING) ANNUAL REPORT

The Executive Director Core Services submitted an annual report presenting the Committee with a review of the activities and current issues regarding the Council's Confidential Reporting (Whistleblowing) Policy and supporting procedures.

The report outlined the background to the introduction and development of the policy and procedures which was part of a wider framework of how employees in particular could raise concerns. It indicated that during the last 12 months there had been 2 instances of contact, one received via email/letter and one through direct contact with one of the Corporate Whistleblowing Officers. One of the concerns had been raised anonymously and the report outlined the nature of both concerns raised, the action taken and indicated that one case had been closed and one was ongoing.

Although there had only been 2 instances where these arrangements had been used there had been other matters raised directly with senior management both anonymously and with names provided. In these cases, advice was sought from the Corporate Anti-Fraud Team, Internal Audit or from one of the Corporate Whistleblowing Officers. In all cases the circumstances of the matter were considered in order to identify any opportunities for learning and particularly in the improvement of controls.

It was also reported that whilst not prompted by any particular issue, the confidential reporting arrangements were to be fundamentally reviewed over the next 12 months in order to strengthen the arrangements further as well as demonstrate transparency and openness to challenge. This would incorporate the feasibility of utilising a specialist company that provided an external conduit that concerned employees could use to raise concerns, revised employee awareness training and subject to the first point, the revision of the policy and guidance and publicity

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

- Questions were asked as to whether issues were raised via a grievance rather than via the Whistleblowing arrangements. The Head of Internal Audit, Anti-Fraud and Assurance stated that he had access to a recently developed HR Data Dashboard. He would consult with HR colleagues in order to determine whether or not there were issues to pick up, however, he was not aware that there were any areas of concern in this respect. The Executive Director Core Services felt that the Audit Committee would benefit from seeing this dashboard as it should give further assurance to Members that issues were not missed
- The difficulties in speculating what would be an appropriate number of referrals thought the Whistleblowing arrangements was acknowledged. Arising out of this, the way in which staff were continually informed of how they could raise issues of concern was outlined. It was felt extremely unlikely that staff were not aware of the arrangements and the Head of Internal Audit, Anti-Fraud and Assurance took comfort from the fact that line managers could also raise concerns brought to their attention.
- It was not felt that the fact that people had been working from home had had a significant impact on the number of referrals given that there had been 8 concerns raised in the previous reporting period when staff had also been working from home

RESOLVED that the report and the assurances it provides be noted and that the Committee continue to support the Council's overall counter fraud culture and the work of Internal Audit and the Corporate Anti-Fraud Team.

91. INTERNAL AUDIT PLAN CONSULTATION UPDATE

The Head of Internal Audit, Anti-Fraud and Assurance gave an update of the current position with regard to the consultation of the next Internal Audit Plan.

He reported that there had been good engagement from all Business Units, and he was in the process of synthesising all responses with a view to bringing the Plan to the June meeting.

Any Members with any suggestions or comments should direct them to either himself or the Chair.

RESOLVED that the report be received.

92. EXTERNAL AUDIT PROGRESS REPORT

Mr Gareth Mills representing the External Auditor (Grant Thornton) attended the meeting virtually and gave an update of the work currently being undertaken.

He reported that most aspects of the 2021 audit were now complete with the exception of the Whole of Government Accounts the guidance for which was still awaited. It was noted, therefore, that Barnsley in the same position as every other Local Authority. Once these issues were finalised, the audit for 2021 would be complete.

Planning work for the 2022 audit was progressing well and there had been good engagement with the Finance Team. It was anticipated that the bulk of the audit work would be completed by the end of September in order to meet the statutory deadline for sign off by the end of November.

RESOLVED that the progress report be received.

93. AUDIT COMMITTEE WORK PLAN 2021/22

The Committee received a report providing the indicative work plan for the Committee for its proposed scheduled meetings to 1st June, 2022.

Members attention was drawn to the Risk Management Policy and Strategy which had been removed from today's agenda having been approved in March 2021 and which remained current.

Dates of future meetings had been provisionally agreed and would be formally approved at the Annual Council meeting to be held on the 20th May, 2022. Members were also reminded that from the Annual Council future meetings of this Committee would be held at 2.00 pm with the Training/Awareness sessions commencing at 1.00 pm.

The Head of Internal Audit, Anti-Fraud and Assurance then gave a brief update on future items/issues to be brought to Committee. Specific reference was made to the following:

- The Draft Plan for Strategic Risks
- The analysis of the results of the consultation on the effectiveness of the Committee. It was anticipated that this would form a future Training/Awareness session

Any Members wishing to have an item discussed at Committee should contact the Chair who would then liaise with the Head of Internal Audit, Anti-Fraud and Assurance. In addition, the extranet would continue to be populated with appropriate information for Members use.

RESOLVED that the updated Work Plan be noted.

.....
Chair

