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

AGENDA

Procedural/Administrative Items

1. Declarations of Pecuniary and Non-Pecuniary Interest
2. Minutes (*Pages 3 - 10*)

To receive the minutes of the meeting held on the 16th March, 2022.

Items for Discussion/Decision

3. Review of the Terms of Reference (*Pages 11 - 16*)
4. Strategic Concerns/Risk Register (*Pages 17 - 26*)
5. Confidential Reporting (Whistleblowing) Annual Report (*Pages 27 - 30*)
6. Internal Audit Plan Consultation Update (*Verbal Report*)

Items for Information

7. External Audit Progress Report (*Verbal Report*)
8. Audit Committee Work Plan 2021/22 (*Pages 31 - 38*)

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

Councillors Lofts (Chair), Barnard, Hunt, Richardson, Ms K Armitage, Mr S Gill, Mr P Johnson and Mr M Marks; together with Co-opted members Ms K Armitage, 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, Anti-Fraud and Assurance
Alison Salt, Corporate Governance and Assurance Manager
Michael Potter, Service Director Business Improvement and Communications
Martin McCarthy, Service Director Governance, Member and Business Support (Monitoring Officer)
Paul Castle, Service Director Environment and Transport
Kathy McArdle, Service Director Regeneration and Culture
Sarah Cartwright, Housing Growth Development Manager

Council Governance Unit – 3 copies

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

Tuesday, 5 April 2022

MEETING:	Audit and Governance Committee
DATE:	Wednesday, 16 March 2022
TIME:	4.00 pm
VENUE:	Council Chamber, Barnsley Town Hall

MINUTES

Present Councillors Barnard, Hunt and Richardson together with Independent Members - Ms K Armitage, Mr P Johnson and Mr M Marks

70. ELECTION OF A CHAIR

As Councillor Lofts, Chair, and Mr S Gill, Vice Chair, were both unavailable, a chair for the meeting was elected from the floor.

RESOLVED that Councillor Richardson act as chair for meeting.

71. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

72. MINUTES

The minutes of the meeting held on the 19th January, 2022 were taken as read and signed by the Chair as a correct record.

73. STRATEGIC CONCERNS/RISK REGISTER

Nina Sleight, Service Director Education, Early Start and Prevention, was welcomed to the meeting to discuss the strategic risk relating to educational outcomes progress. It was noted that young people had been severely affected by the pandemic. The Council, with partners including the Barnsley Alliance, were working together to support pupils achieve the best possible outcomes.

In relation to action 1 in appendix 1 of the report, relating to improving attainment and progress, Members heard how structures and frameworks were in place through the Barnsley Alliance and its subgroups to provide support and challenge. Issues highlighted would then be raised with the school and governing body and escalated as required.

The sector led approach supported best practice and improvement, and additional support was brokered where necessary. It was noted that the approach of the Barnsley Alliance was to act quickly and take measured and appropriate action.

With regards to action 2, Members heard how closing the gap between the most vulnerable pupils and their peers remained a focus, particularly on those with those who have a Special Educational Need or Disability (SEND) or those particularly disadvantaged. Regular assessments are undertaken to ascertain where pupils are and used to generate a response.

It was noted that particular focus had been given to Communication, Language and Literacy, with projects developed to address issues in this area. Through sector led improvement, experts were deployed as and when required, with clear targets and goals. A more rigorous model of peer review had been developed using an evidenced based methodology.

It was acknowledged that action 3, building leadership capacity at all levels, was particularly difficult with the workforce already undertaking day to day duties. However, Barnsley Alliance had funded a leadership programme to enhance capacity. Networking opportunities had also been developed, with opportunities for new head teachers and deputies to meet and share concerns.

In relation to action 4 and the development of an Education Improvement Strategy, Members heard that this was currently being co-produced, and would highlight what evidence would be used to measure progress.

Action 5 was to implement the written statement of action for children with SEND but without an Education, Health and Care Plan. It was noted that the written statement had been submitted to Ofsted and a longstanding SEND improvement plan with appropriate governance was in place.

Data was being shared to assess progress in an open and transparent way within the Alliance. Support was provided, as was challenge and partners held each other to account on progress. If concerns were highlighted, it was noted that these would be escalated to the regional school commissioner and Ofsted.

Questions were raised regarding the review dates in the report, and it was noted that these were termly prompts for officers, however the assurance was given that appropriate structures were in place to closely monitor and review progress more regularly.

The Committee went on to consider the risk related to Financial Sustainability and the Service Director, Finance introduced this. It was noted that risks pertained to two areas, the first relating to several emerging financial risks which associated with areas not fully understood or costed and therefore not accounted to in the Medium-Term Financial Strategy. The second related to sustainable funding of the sector, and the impact of the one-year financial settlement on long term financial planning was noted.

Action 1 within appendix one related to emerging financial risks, and examples of these were provided. These included the planned review of health and social care, and the cap on care costs. Also noted were supply chain issues, inflation and the impact of this on day to day running costs, the capital programme, and other contracts which may be linked to CPI or RPI. It was noted that the cost-of-living crisis may also impact on the demand for services, and the ability for residents to pay bills.

Noted were other significant risks such as the return of covid, the Environment Bill, and the need to reduce carbon emissions. It was acknowledged that all these issues would need to be unpicked and modelled carefully to understand the impact.

Members acknowledged the potential impact of the risks mentioned, and that the budget was caveated in this respect. In relation to divestment of fixed assets, it was acknowledged that smart working would necessarily result in revisions to the asset management strategy, potentially creating opportunities and efficiencies.

In relation to Action 2 and understanding the implications of the reform of Local Government Finance, it was noted there were concerns that future funding may not be weighted towards relative need or to reflect deprivation. In addition, future funding was likely to take account of the ability to raise taxes locally, and the impact of this was not fully understood.

It was acknowledged that there would be transitional arrangements, and it was hoped that Barnsley would benefit from the Fair Funding Review, but there was a risk that this would not be the case.

Action 3 related to the development of a continued improvement and efficiency programme to mitigate the risks already highlighted. Though efficiencies of around £6.5m had been planned for over the next two years, it was suggested that this figure could significantly rise. In addition to actions already undertaken, this could result in fundamental service redesign. It was acknowledged that Members would need to be kept informed of the situation.

Members acknowledged that the situation would be very challenging moving forward, but it was noted that the situation did present some opportunities, such as consideration of how the Council interacted with customers, and utilised digital technologies.

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

74. MEDIUM TERM FINANCIAL STRATEGY 2022/23

The Committee received the budget as agreed by Council on 24th February, 2022. Questions were invited from Committee Members.

In response to a question related to the role of the Treasury Management Panel and Audit and Governance Committee as referenced in the report, it was acknowledged that the Committee was executing its role effectively, with Members fully engaged and providing appropriate challenge.

With regards to a question in relation to borrowing, it was noted that there were plans to de-risk borrowing and move to around 75% of borrowing being fixed interest rate by next year, however this could be undertaken sooner if appropriate.

With regards to capitalising leases and the impact, it was noted that this had been deferred for another year and was subject to consultation. Members heard that should this happen it would increase debt but that there would be no overall financial impact on the Council.

RESOLVED that the report be received.

75. EXTERNAL AUDIT ANNUAL REPORT 2020 - 21

Gareth Mills, Director, Grant Thornton, introduced the item noting that this was a positive report overall for Barnsley, and that there were a number of recommendations.

In relation to financial sustainability, it was noted that one potential area of weakness had been identified in the issued audit plan which related to the Dedicated Schools Grant (DSG). However, the annual report noted that there were no areas of significant weakness in arrangements related to this, but a number of improvement recommendations had been made in this area.

In terms of governance, no risks of significant weaknesses had been identified, but a number of improvement recommendations had been made.

In relation to improving economy, efficiency and effectiveness, one risk of significant weakness had been identified and a key recommendation made, alongside some improvement recommendations. It was acknowledged that the audit code requires the consideration of the reports of other regulators and the key recommendation related to the area highlighted by the Ofsted and CQC inspection.

In relation to financial sustainability, the level of savings required were smaller than similar sized local authorities, which reflected the difficult decisions already taken by the Council. With regards to borrowing, Barnsley had a higher proportion than similar councils, but this reflected the regeneration in the town centre and the Glassworks project, and this had resulted in one of the improvement recommendations to prudently monitor cash flows and repay borrowings without any significant impact on key services. A further recommendation in the section suggested that the actions and outcomes of the DSG deficit reduction plans should be reported to the Audit and Governance Committee.

With regards to governance, the report was positive and suggested four improvement recommendations relating to fraud awareness of all staff, instigating a formal process of sharing the strategic risk register with cabinet, sharing the financial performance reports associated with the Glassworks to both Cabinet and the Audit and Governance Committee, and making improvements to the Members register of gifts and hospitality and their register of interest.

Section 7 of the report referred to improving economy, efficiency and effectiveness and contained a key recommendation as a result of Ofsted and CQC SEND inspection.

With regards to the final section of the report which considered Covid-19 arrangements, no significant issues had been highlighted and no recommendations made.

Members raised questions in relation to the DSG, and it was noted that the deficit was still rising but a deficit reduction plan was in place over the long term. It was envisaged that the structural deficit would be eliminated in 2024/25. Members heard that conversations were currently taking place with government about how to fund the cumulative deficit, which currently could not be covered by the general fund.

A question was raised with regard to benchmarking of Critical Success Factors, and it was noted that whilst some benchmarking did take place within the authority, this could be more systemic, and this was being taken forward as an action.

RESOLVED:-

- i) That thanks be given to the staff in finance and to the external auditor for the efforts that led to the report;
- ii) That the Auditor's Annual Report be noted.

76. INTERNAL AUDIT PROGRESS REPORT 2021/22

Sharon Bradley, Internal Audit Manager, spoke to the report previously circulated. Members heard how 83% of planned days had been delivered and the team was on track to deliver the remainder of the plan. There had been five assignments completed within the period, details of which were included in the report. A number of changes had been made to the plan. These were as a result of re-prioritisation to give support to major capital and grant funding schemes within the Place Directorate.

Members noted the audit reports issued within the period, the details of other internal audit activity within the period, and that currently in progress. Members were assured that there were no concerns with the implementation of management actions, and that the overall indicative annual assurance opinion based on work completed to date was reasonable.

With regards to the performance of the service, there were no concerns raised. The productivity figure was slightly below target, but this was due to leave taken around Christmas.

Questions were raised with regards to the assignment relating to SEND data quality, and the number of implications Members heard how the service had invited Internal Audit to undertake an independent review of the service. The service had four systems capturing data and it was hoped that implementing the agreed management actions would help improve data quality overall. It was noted that the actions had been incorporated into the SEND improvement plan and regular meetings were taking place to ensure progress was on track.

RESOLVED:-

- i) The issues arising from completed Internal Audit work in 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 be noted;
- iii) That the progress against the Internal Audit plan for 2021/22 for the period be noted.

77. ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2020/21

The attention of Members was drawn to the Action Plan, which contained actions identified following the Annual Governance Statement Review for 2020/21 and outstanding actions from the previous year.

RESOLVED that the report and progress being made against each item listed in the Annual Governance Statement Action Plan be noted.

78. CORPORATE ANTI-FRAUD TEAM PROGRESS REPORT

The Committee received the report which highlighted the positive impact of activities within International Fraud Awareness Week in November 2021. It was noted that work during International Fraud Awareness Week in 2022 would be more focused on sharing information with the public.

Members noted that payment diversion fraud continued to be an issue nationally and work had been undertaken internally to raise awareness amongst employees. The team are also planning to increase employee's awareness of other fraud risk areas throughout 2022.

The team had continued to provide post event assurance to verify Covid-19 Business Support Grant payments. The BEIS are satisfied with the Council's administration of the original three schemes which have now been signed off as complete. Details of sampling of the remaining schemes is still to be received from the BEIS. .

Members noted the preventative work undertaken, which included reviewing fraud awareness training and e-learning.

Questions were raised regarding the progress in preventing future bank fraud. Members heard how a significant review had been undertaken and a number of action points raised. These revised procedures will result in a more robust control environment. It was acknowledged that existing systems were not weak, but actions would lead to further improvements. It was noted that discussions were still being pursued with the bank regarding their processes in identifying fraud.

Members were made aware of the strengthening of the team, and the financial benefits of the team to the council, with £1.5M of fraud, error and savings identified over the past 5 years.

RESOLVED:-

- i) That the Committee notes the progress report;
- ii) That the Committee continues to receive regular progress reports on internal and external fraud investigated by the Corporate Anti-Fraud Team.

79. CORPORATE ANTI FRAUD STRATEGY 2021-2024

Members were made aware that the strategy was in its second year and had been amended to reflect the expansion of the team from three to four officers. It was noted that this had been due to the success of the team in reducing fraud in areas such as the single person council tax discount. It was noted that further work was underway

to consider data matching, and the Council was a member of a national group to share best practice in this area to uncover errors and potential fraud.

RESOLVED that the Corporate Anti-Fraud Strategy be received.

**80. REVIEW OF PEER CHALLENGE ACTIVITY ACROSS THE COUNCIL
(CAB.9.2.2022/7)**

The report was received for information.

RESOLVED that the report be received, and the contents noted.

**81. LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN - FOLLOW-UP
REPORT**

Members of the committee received the report for information.

RESOLVED:-

- i) That the report be received, and the actions already taken and plans to address the LGSCOs recommendations acknowledged;
- ii) That the requirement for the Council to make compensation payments totalling £2,700 to those affected by the complaint be noted.

82. COVID 19 - UPDATE

Shokat Lal, Executive Director Core Service, provided an update in relation to Covid 19. Infection rates in Barnsley and the UK remained high and people were still being admitted and treated in Barnsley Hospital for the infection.

Though local testing had largely stopped, the ONS estimated that 3.8% of the population currently had the infection, around 1 in 25. Members noted that the proportion of infections from the Omicron BA.2 sub variant continued to increase and that this was likely to overtake the original Omicron BA.1 subvariant. Wider guidance indicated that rules were being relaxed. Work locally continued to make the public aware of changes, but to urge caution in the light of the infection rate in Barnsley.

RESOLVED that the update be received.

83. AUDIT COMMITTEE WORK PLAN 2021 - 22

Alison Salt, Corporate Governance and Assurance Manager, introduced the item, drawing the attention of the committee to the items added, which had resulted in a number of items being deferred to the meeting on the 13th April, 2022.

RESOLVED that the updated work plan be noted.

84. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that the public and press be excluded from this meeting during the discussion of the following item because of the likely disclosure of exempt

information as defined by Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

85. UPDATE ON THE GLASSWORKS PROJECT AND WIDER TOWN CENTRE ISSUES

Kathy McArdle, Service Director Regeneration and Culture, provided an update. Committee Members were made aware that Nandos opened on 9th March, and River Island was due to follow on 19th March. An update on potential opening dates for other secured tenants was also provided, alongside details of a number of interested operators for available units.

Questions were raised in relation to incentives being offered for operators to locate, and it was noted that these were in line with industry norms.

With regards to questions about the finances associated with the scheme, it was noted that no significant increases were envisaged, and that an asset management plan would be developed to address planned and reactive maintenance.

Members heard of the town centre events plan to animate the wider town centre, and the close working with relevant officers in relation to the Alhambra Centre on areas such as cross promotion.

RESOLVED that the update be noted.

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Chair

Item 3

Report of the Executive Director Core Services

Audit and Governance Committee – 13th April 2022

Audit and Governance Committee - Terms of Reference

1. Purpose of the Report

- 1.1 To present to the Audit and Governance Committee the proposed revised Terms of Reference for consideration and approval (Appendix 1)

2. Recommendations

- 2.1 **It is recommended that the Committee considers and approves the Terms of Reference included at Appendix 1 and that these submitted for formal approval at Full Council.**

3. Review of the Terms of Reference

- 3.1 The Terms of Reference were last considered in October 2021 following the annual development session of the Audit and Governance Committee.
- 3.2 Relatively minor changes were proposed to list the areas of governance for explicitly that fall within the Committee's remit and an update on the Committee's responsibility in considering any payments in excess of £2,000 as may be directed by the Local Government and Social Care Ombudsman.
- 3.3 The Audit and Governance Committee further considered the Terms of Reference within a review of the Committee, undertaken in February 2022. The feedback from members identified no additional areas for amendment in relation to the Terms of Reference.

Contact Officer: Head of Internal Audit, Anti-Fraud and Assurance
robwinter@barnsley.gov.uk
5th April 2022

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The Terms of Reference of the Audit and Governance Committee are as follows:

As regulated via the Non-Disclosure Agreement signed annually by members of the Committee, members will have appropriate access to information to discharge their responsibilities in fulfilment of these Terms of Reference.

A. General Remit

1. To provide independent assurance of the adequacy of the risk management framework and the associated control environment.
2. To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
3. To oversee the financial reporting process.
4. To promote the application of and compliance with effective governance arrangements across the Authority and its partner organisations.

B. Internal Control incorporating Risk Management, Financial Probity and Stewardship

- a. To consider the overall adequacy and effectiveness of the system of internal control and the arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money).
- b. To ensure that the highest standards of financial probity and stewardship are maintained throughout the Authority, within policies set by the Council from time to time.
- c. To consider such policies for consideration and approval by the Council.
- d. To promote effective internal control by the systematic appraisal of the Authority's internal control mechanisms and by the development of an antifraud culture.
- e. To promote effective risk management throughout the Council in accordance with the Council's Risk Management Policy Objectives Statement.
- f. To periodically review the Authority's strategic risk register and to invite, when appropriate, a Member of the Senior Management Team to meetings to discuss strategic risks within their specific service area.
- g. To consider, challenge and comment on the Annual Governance Statement.
- h. To receive periodic reports on additional corporate functions contributing to overall assurance against the corporate priorities and specifically in relation to:

- Business Improvement, Human Resources and Communications
- Health & Safety
- Business Continuity and Emergency Resilience
- Governance, Member and Business Support
- Information Governance
- Procurement
- Asset Management
- Ethical Framework
- Equality and Inclusion
- Partnership and Collaboration Governance
- Environmental Governance

- i. To encourage wider dialogue with members of the Senior Management Team by inviting them to meetings on a periodic basis to give assurance about issues identified within reports relating to various Directorate activities and in particular those which are subject to Internal Audit recommendations.

C. Internal Audit

- j. To oversee, in consultation with internal auditors, the preparation and approval of an annual audit plan for the Authority and to receive periodic reports from the internal auditor on performance against the plan.
- k. To monitor compliance with internal audit reports following their consideration by management.
- l. To examine reports previously submitted to the Cabinet in respect of ongoing activities and investigations conducted by internal auditors and to make appropriate comments and recommendations.
- m. To review the performance of the internal audit function by way of quarterly performance management reports.
- n. To consider the Head of Internal Audit's annual audit report and opinion, and a summary of internal audit activity (actual and planned) and the level of assurance it can give over the Council's corporate governance arrangements.
- o. To enhance the profile, status and authority of the internal audit function and demonstrate its independence.
- p. To approve and periodically review the Internal Audit Strategy and Audit Charter

D. External Audit and other Inspectorates or Regulatory Bodies

- q. To oversee, in consultation with external auditors, the preparation of the annual audit plan for the Authority and to receive periodic reports from the external auditor on performance against the plan.

- r. To consider and report to Cabinet and the Council the annual audit and inspection letter.
- s. To consider the appointment of the Council's external auditor.
- t. To monitor compliance with external audit, external inspectorate and Ombudsman reports following their consideration and resolution by the Cabinet and/or Council.
- u. 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 or as directed by the Local Government and Social Care Ombudsman (LGSCO) and any other recommendations made by the LGSCO falling under the remit of the Committee.

E. Other

- v. To consider general issues and statistics in relation to the Council's Confidential Reporting (Whistleblowing Policy) "Whistleblowing" Policy.
- w. To review the Authority's arrangements for establishing appropriate anti-fraud policies and procedures.
- x. To monitor compliance with and the effectiveness of anti-fraud and corruption policies and procedures.
- y. To monitor compliance with the Authority's Partnership Governance Framework.
- z. To consider and review compliance with the Authority's Treasury Management policy.

F. Accounts

- aa. To review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by External Audit.
- bb. To contribute to the annual review, consideration and challenge of the financial statements.

Revised March 2022

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Item 4

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

Audit and Governance Committee – 13th April 2022

STRATEGIC CONCERNS / RISK REGISTER

1. Purpose of the report

- 1.1 It was agreed at the Audit and Governance Committee meeting in March 2021 that the Committee will have a regular opportunity for a “deep dive review” of some of the strategic risks with the appropriate Executive Director / Service Director in attendance to update and assure the Committee on the management of their risks
- 1.2 Three strategic risks will be considered at this meeting:
 - Zero carbon and wider environmental commitments – Service Director Regeneration and Culture
 - Organisational resilience – Executive Director Core Services
 - Threat of fraud against the Council – Executive Director Core Services

2. Recommendation

2.1 The Committee is asked to note the update.

3. Current Position

3.1 The Strategic Risk Register currently contains 15 risks. Using the new system of risk assessment, SMT have determined that 5 risks be classified as **high** (red response rating*) 10 risks be classified as **medium** (amber rating) and 0 risks are classified as **low** (green rating) in relation to the level of response and intervention required.

* The response rating reflects the degree of urgency and importance of the interventions and management oversight rather than the inherent risk.

- 3.2 The actions associated with the 3 risks to be considered in the meeting are included in the attached summary in Appendix 1.
- 3.3 Appendix 2 provides a high-level summary of all the other strategic risks which includes the high-level risk description, risk impact, status, and response ratings.
- 3.4 The risk register system will be shown in the meeting.

Contact Officer: Corporate Governance and Assurance Manager
Email: alisonsalt@barnsley.gov.uk
Date: 4th April 2022

Strategic Risks to be reviewed in the meeting – April 2022

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
Zero carbon and wider environmental commitments	<p>Ensuring we have constant regard to our zero carbon, climate and environmental commitments in how we deliver services and act as a community leader.</p> <p>Action 1 Develop the Positive Climate Partnership to take shared ownership of the issue at a borough wide level, strengthening relationships with partnership members and links into Barnsley 2030.</p> <p>Using the Route Map for the Borough report commissioned with the Centre for Sustainable Energy (completed in April 2022) prioritise collective action across the PCP, co-produce a borough wide Comms Strategy (with consistent key messaging) and the development of the Climate Change Strategy.</p> <p>RAG rating – Amber Completion / review dates – 26/4/2022, 29/6/2022</p> <p>Action 2 Convene Carbon Management Group within the Council to develop a coherent action plan across all Council operations to deliver net zero for the Council by 2040, focussing on embedding sustainability across all services within the organisation, asset management and behaviour change strategies. This work is supported by the Carbon Trust which mapped out the Council's Scope 1 and Scope 2 emissions and key actions to be taken to minimise the Council's carbon footprint. The Group is chaired by SD Environment and Transport and convened by Head of Sustainability and Climate Change.</p> <p>The group should also convene a Fuel Crisis TFG to consider the mitigations against the significant fuel cost price hike for the organisation, developing a "Quick Win" strategy during April 2022.</p> <p>RAG rating – Amber Completion / review dates – 29/6/2022</p>	Actual	Actual	High	ED Place

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 3 Maximise all opportunities to secure Govt/SYMCA funding to deliver a range of programmes to support both the Council's and the borough's net zero ambitions, including:</p> <ul style="list-style-type: none"> • Future public sector decarbonisation programmes to decarbonise key Council buildings. • Affordable Warmth retrofit programmes to support more energy efficient homes across tenure (currently delivering LAD2/3, social housing decarbonisation schemes). • The development of an EV charging Strategy and maximisation of grant funding to deliver additional infrastructure. • The delivery of low carbon new build homes via the Council's housing growth programme; acting as demonstration for the quality we expect from developers. <p>RAG rating – Amber Completion / review dates – 29/6/2022</p> <p>Action 4 Ensure biodiversity net gain is at the heart of all our planning policies and work with developers to ensure our natural capital and resources are conserved and protected or replaced where necessary. This to be reviewed through the Local Plan Review to be carried out in 2022. In advance additional biodiversity officer resource to be brought into Planning Service to assist with the early adoption of the 10% net diversity gain on new planning applications.</p> <p>RAG rating – Green Completion / review dates – 29/6/2022, 20/12/2022</p> <p>Action 5 Work with Berneslai Homes to develop a retrofit strategy for future investment in our social housing stock to ensure that it is energy efficient, low carbon and affordable for our tenants. Review the 30 year HRA business plan and explore funding opportunities using the Savills Asset Review completed in March 2022</p> <p>RAG rating – Amber Completion / review dates – 27/4/2022, 28/9/2022</p>				

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 6 Ensure that sustainability and low carbon remains a key principle in the procurement strategy for the development of the SEAM and other strategic masterplan sites. Developing a Sustainability SPD as part of the revised suite for the Local Plan Review.</p> <p>RAG rating – Amber Completion / review dates 27/4/2022, 28/10/2022</p>				
Organisational resilience	<p>Need to understand issues around leadership, general workforce capacity and welfare (exhaustion, fragility) to recognise that organisational resilience is not as high as it was pre-pandemic and therefore continue to find ways for the organisation to recover post pandemic. This action to be kept under review as the risk moves in “waves” and we need to monitor the impact on the organisation as we come out of the pandemic.</p> <p>Action 1 Continue to develop leadership capability, advice and support including specific development interventions including Barnsley Leadership Programme to increase leadership resilience, as well as address skills shortages such as digital / IT capacity to deliver the improvements we need.</p> <p>RAG rating – Green Completion / review dates – 29/6/2022, 29/9/2022, 30/12/2022</p> <p>Action 2 HR to work with DMT’s to produce effective workforce plans that meet directorate and organisational objectives and include attraction, recruitment and retention plans and effective vacancy management.</p> <p>RAG rating – Amber Completion / review dates – 29/6/2022, 30/12/2022, 30/3/2023</p> <p>Action 3 Continue to develop and deliver a comprehensive health and wellbeing support programme for all staff.</p>	Actual	Actual	High	ED Core Services

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>RAG rating – Green Completion / review dates – 30/8/2022, 30/11/2022</p> <p>Action 4 Continue to develop, implement and monitor appropriate development plans to increase staff resilience and skills, in particular improving digital / IT capacity to deliver the improvements we need.</p> <p>RAG rating – Amber Completion / review dates – 29/6/2022</p> <p>Action 5 Develop, launch and embed our “Barnsley is our office” proposition, to ensure the maximum benefits are realised and staff are able to adjust to our new hybrid working arrangements.</p> <p>RAG rating – Amber Completion / review dates – 30/5/2022, 30/7/2022</p>				
Threat of fraud against the Council	<p>There is a need to ensure that all services are aware of and constantly assess fraud threats and that employee understanding and awareness of potential fraud is good and constantly reviewed.</p> <p>Action 1 Undertake specific annual fraud risk assessments for each BU</p> <p>RAG rating – Green Completion / review dates – 30/5/2022, 30/5/2023, 30/5/2024</p> <p>Action 2 POD training is reviewed to ensure practical guidance and training is available for all employees</p> <p>RAG rating – Green Completion / review dates – 29/4/2022, 30/7/2022, 31/10/2022</p> <p>Action 3 POD training developed for specific roles where the risk of fraud is greatest</p>	Potential	Potential	Medium	ED Core Services

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>RAG rating – Green Completion / review dates – 30/5/2022</p> <p>Action 4 Develop a communication plan / strategy to ensure important messages are publicised across the Council and in the press as appropriate</p> <p>RAG rating – Green Completion / review dates – 29/4/2022, 29/9/2022, 30/3/2023</p> <p>Action 5 Review Fraud Awareness Week 2021 and plan for Fraud Awareness Week 2022 and / or themed events during the year</p> <p>RAG rating – Green Completion / review dates – 30/5/2022, 31/10/2022</p>				

All Other Strategic Risks – High Level Summary – April 2022

Risk Title	Risk Description	Impact	Status	Response Rating *	SMT Owner
Potential death of a child/safeguarding failure in children's services	A need to continually appraise the controls to minimise the potential for death of a child or safeguarding failure in children's services - need to be able to identify any changes which may weaken current levels of assurance. Factors which may impact should be assessed include: the impact of Covid 19 upon both families and workforce capacity, increasing poverty which could impact on demands for services and increases in caseloads, future financial settlements which could impact on service provision, awareness of system pressures e.g., workload. If systems break down there is potential for huge reputational damage - seen across a number of UK authorities - including removal of Director of Children's Services, and government imposition of Commissioners to run services until improvements are made.	Potential	Potential	High	ED Children's Services
Financial Sustainability	There are several emerging risks facing the Council, some of which are fluid and yet to be quantified but, if unchecked, could potentially pose a major threat to the Council's ongoing financial sustainability.	Actual	Actual	High	SD Finance
Meeting our statutory responsibilities under the Care Act 2014	Adult social care is experiencing higher demand on resources as a consequence of level of need arising from discharges from hospital, impact of the pandemic. This is compounded by pressure on the NHS to recover faster, whilst managing significant recruitment and retention issues in the care sector and the inadequacy of funding from national government. This may result in long waiting times for assessments and care packages resulting in people being in the wrong service for the wrong reason. This could also result in an inability to provide day services for people with a learning disability as resources are redirected to home care.	Actual	Actual	High	ED Adults & Communities
Health Protection Emergency	Need to ensure that robust arrangements in place are understood by all stakeholders and complied with, to deal with any health protection emergencies which may arise, and which require a Business Continuity response e.g., Covid 19 Pandemic	Actual	Actual	Medium	Director of Public Health
Glassworks	As a key strategic investment for the Council there is a need to ensure the successful delivery of the Glassworks. There are clear financial and	Potential	Actual	Medium	ED Place

Risk Title	Risk Description	Impact	Status	Response Rating *	SMT Owner
	<p>reputational implications should the project not be delivered on time, to budget and fail to have the intended economic and social outcomes. The impact of the Covid 19 pandemic will exacerbate the challenges to the High Street/town centre retail sector which could impact on the uptake of retail lettings, and it is an increasingly competitive market for leasing retail and hospitality sector. Coupled with this, there are also risks associated with CineWorld, our anchor tenant as the cinema industry has suffered badly from Covid and is slowly in recovery mode globally.</p>				
Inclusive Economy	<p>The impact of Covid 19 has had a significant impact on the local economy with the potential for reduced NDR and CT collection. There has been a continued or accelerated downturn in the retail and visitor economy sector and the collapse of businesses has added to the pressure on the Council and partners' services. The Council needs to continue to work with partners to minimise the damage done to the Borough's economy and to livelihoods through the Recovery Action Plan, the Inclusive Economy Board and the suite of business support measures delivered through Enterprising Barnsley and our Employment and Skills Team.</p> <p>As well as the potential impact on the Glassworks and the town centred there are wider community implications for Barnsley, its principal towns, and other urban centres with the risk of increased unemployment, redundancies, and low levels of job opportunities for young people and those furthest from the labour market.</p>	Actual	Actual	Medium	ED Place
Community Resilience	<p>That individuals and families experience increased strain as a consequence of economic, social, health or other factors.</p>	Actual	Actual	Medium	ED Adults & Communities
Potential for a safeguarding failure in Adult Social Care	<p>Whilst we are confident that controls are in place to minimise the potential for safeguarding failures there remains a need to continually appraise these and be able to identify any changes which may weaken current levels of assurance. Factors which may impact and should be assessed include the impact of Covid 19 upon families and workforce capacity which could increase workload pressures, increasing incidence of poverty which could impact on demands for services and lead to increases in caseloads, future financial settlements could impact on service provision, awareness of pressures in the system e.g., workload pressures leading to decrease in staff attendance at meetings etc. If the system breaks down potential for huge reputational damage.</p>	Potential	Potential	Medium	ED Adults & Communities

Risk Title	Risk Description	Impact	Status	Response Rating *	SMT Owner
Emergency Resilience	There is a need to ensure that the Council has robust mechanisms in place to prepare for, respond to and recover from civil emergencies and business interruptions, and comply with the Council's statutory duties as a Category One responder under the Civil Contingencies Act 2004.	Actual	Potential	Medium	ED Core Services
Partnership and Collaboration Governance	Many public services are delivered through partnerships or collaboration as well as emerging devolution arrangements; these must be robust, well governed but flexible and responsive to ensure objectives are met. Weak partnerships or collaborative working can lead to the failure of services, significant financial difficulties, and reputational damage. Key partnerships are: Integrated Care Partnership Board, Barnsley FC, BCVS, SCRMCA.	Potential	Potential	Medium	ED Core Services
SEND	The Joint Area SEND Inspection (2021) sets out progress made and areas for improvement. The SEND Continuous Improvement Plan and Action Plan addressing the 2 Written Statements of Action will be submitted to Ofsted by 28/2/2022. The strategic multi agency SEND Overview Board provides governance to oversee progress and improvement. Governance and assurance provided by/to SMT and Cabinet through quarterly performance reporting for SEND. to Continued, prioritised focus in improving parent reengagement and strategic influence and identifying and supporting more children early with SEN support in local provision, avoiding escalation of need and out of borough placements.	Potential	Potential	Medium	ED Children's Services
Educational Outcomes Progress	Concerns that educational outcomes progress for all children across Barnsley may not be sufficient, with particular concern around improving outcomes for vulnerable cohorts.	Potential	Potential	Medium	ED Children's Services

* The Response Rating reflects the urgency and importance of the intervention and management of the 'risk' rather than any inherent risk.

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Item 5

Report of the Executive Director Core Services

AUDIT AND GOVERNANCE COMMITTEE – 13th April 2022

CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY ANNUAL REPORT

1. Purpose of the Report

- 1.1 This annual report presents the Committee with a review of the activities and current issues regarding the Council's Confidential Reporting (Whistleblowing) Policy and supporting procedures.

2. Recommendation

- 2.1 **It is recommended that the Committee consider the report and the assurances it provides and commits to continue to support the Council's overall counter fraud culture and the work of Internal Audit and the Corporate Anti-Fraud Team.**

3. Background

- 3.1 The Council has had a Corporate Whistleblowing Policy since 2000. It has undergone a number of reviews and revisions to ensure it remains fit for purpose and meets best practice and any guidance as may have emerged and changed over the years. The Committee will recall that the title of the policy was changed to Confidential Reporting when it was last reviewed and approved by Cabinet in January 2020.
- 3.2 The specific confidential reporting arrangements are of course just one vehicle for concerns to be raised. The degree and extent of the specific use of the procedures is therefore not considered significant when taken with the other means by which concerns are raised. What is important of course is ensuring there are clear and understood routes for raising concerns and that there are suitable resources and arrangements in place to ensure appropriate investigations are undertaken.
- 3.3 Again as the Committee is aware a number of other policies, strategies and procedures were also reviewed and considered by the Committee (and approved by Cabinet). These policies were publicised internally. The Anti-Fraud week that was held in November 2021 incorporated the publicity / reminders of this and the other anti-fraud policies in place.

4. Confidential Reporting Activity

4.1 As referred to above the confidential reporting arrangements are part of a wider framework of how employees, particularly can raise concerns. However, specifically in relation to the use of the whistleblowing arrangements, during the last 12 months there have been 2 instances of contact, 1 received via email/letter and 1 through direct contact with one of the Corporate Whistleblowing Officers. One of the concerns was raised anonymously. The table below summarises the 2 concerns raised.

		Nature of Concern	Action Taken	Status
1	Anonymous	Allegations regarding an employee's fitness to work.	Thorough investigations undertaken but no evidence found to substantiate the allegations.	Closed
2	Name provided	Allegations of management failure to take appropriate action.	Thorough investigation undertaken and continued involvement in the issue. Remains part of an ongoing matter.	Open

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

4.3 As has been highlighted in previous reports, whilst this level of activity may be regarded as low in this particular period, it is difficult to speculate what would be an appropriate figure. There are several ways to judge the volume of referrals through this process; more positively, a low number could indicate on the one hand there are only a few instances of irregularity or concern that are being identified, or less positively, that the process for reporting is not trusted. A higher number of referrals could indicate a greater level of trust with the process but less positively, an indication that there are more instances of irregularity occurring.

4.4 Using the procedure does of course provide the additional protection of a protected disclosure when a matter is raised in the public interest and in good faith, but employees raising concerns do not necessarily look for that assurance – which is in fact reassuring that they have confidence that concerns will be acted on in an appropriate way. That employment protection is of course also provided where an employee raises a concern directly with management.

- 4.5 The Committee will appreciate that dealing with concerns raised anonymously are often more difficult to investigate, relying on the level of detail provided and the ability to follow-up and seek corroboration. Great care is taken to try and establish the motives for an anonymous concern where there is an obvious risk of a matter being raised maliciously. However, all concerns raised are investigated and discussed with relevant senior officers.
- 4.6 In relation to the confidential reporting arrangements themselves, of particular focus is to have regard to the extent to which firstly, we feel the policy and procedures meet best practice, secondly, that we have appropriate means to publicise the policy, and thirdly, that when the arrangements are used, there is an appropriate response – i.e., the arrangements work.
- 4.7 Whilst not prompted by any particular issue, the confidential reporting arrangements will be fundamentally reviewed over the next 12 months. This will incorporate the feasibility of utilising a specialist company that provides an external conduit that concerned employees can use to raise their concerns, revised employee awareness training, and subject to the first point the revision of the policy and guidance and publicity.
- 4.8 Although unpleasant to consider, there is a recognised increased risk to all organisations that when the general economic situation worsens and individuals are put under personal financial pressure, there can be a temptation for employees, and those external to organisations to undertake some kind of wrongdoing. As we know and appreciate, the vast majority of employees in the Council (and in all organisations) are honest and trustworthy and won't tolerate others depriving the Council of its scarce resources. The Council is committed to having a robust and effective process to facilitate the raising of concerns as a key part of our armoury to protect its assets and resources.

5. Risk Management Considerations

- 5.1 Having effective arrangements for confidential reporting is a key element to any organisation's attempts to minimise the risk and incidence of fraud, corruption, and other wrongdoing. Whilst fraud risk cannot be reduced to nil, having good policies and procedures supported by proactive awareness and regular reviews can contribute considerably to minimising this risk.
- 5.2 Fraud and corruption risks have been reviewed across all the Council's Business Units and will contribute to the Corporate Anti-Fraud Team's annual workplan.

6. Financial Implications

- 6.1 There are no financial implications arising directly from this report. The very modest annual costs associated with publicity materials, the telephone 'hotlines' and dedicated P.O. box number are met within the Internal Audit budget.
- 6.2 There are however indeterminate but potentially significant financial implications arising from confidential reporting in terms of the issues raised and their specific consequences. It is also impossible to calculate the cumulative deterrent effect of the whole suite of policies and procedures that may have prevented wrongdoing occurring.

7. Employee Implications

- 7.1 As with the financial implications, there are no employee implications arising directly from this report.
- 7.2 There are of course major implications for employees, elected and co-opted members and all those likely to utilise the Policy and arrangements in fulfilling their duty to report concerns. In raising a concern in the public interest through this Policy, or in the other ways identified in the Policy, employees are afforded employment protection provided by the Public Interest Disclosure Act. Those individuals who become the subject of concerns raised will be themselves subject to the normal procedures around investigations and any subsequent disciplinary procedures.

8. Background Papers

Confidential Reporting (Whistleblowing) Policy and supporting guidance.

Contact Officers: Executive Director Core Services and the Head of Internal Audit, Anti-Fraud and Assurance as the Council's designated Corporate Whistleblowing Officers.

Date: 4th April 2022

Item 8

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

Audit and Governance Committee – 13th April 2022

WORK PLAN 2021 – 2022

1. Purpose of the Report

- 1.1 To share with the Committee the current version of the Work Plan – Appendix 1 and to note any amendments to the plan.

2. Recommendation

- 2.1 **The Committee is asked to note the updated Work Plan.**

3. Updated Position

- 3.1 The work plan for 13th April meeting has had the following item removed from the agenda:

- Risk Management Policy and Strategy (this document was approved in March 2021 and remains current)

Contact Officer: Corporate Governance and Assurance Manager
Email: alisonsalt@barnsley.gov.uk
Date: 5th April 2022

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AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME

2021/2022 Municipal Year

	Mtg. No.	1	2	3	Dev. Mtg.	4	5	6	7	1
Committee Work Area	Contact / Author	02.06.21	28.07.21	15.09.21	13.10.21	17.11.21	19.01.22	16.03.22	13.04.22	01.06.22
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				X	
Internal Control and Governance Environment										
Local Code of Corporate Governance	MMc/AS						X			
Annual Governance Review Process	AS						X			
Annual Governance Statement (Draft/Final)	AS		X(D)			X(F)				
AGS Action Plan Update	AS	X		X				X		X
Anti-Fraud										
Annual Fraud Report	RW	X								X
Corporate Anti-Fraud Strategy	RW							X		
Corporate Fraud Team – Update Report	RW			X				X		
Corporate Risk Management										
Risk Management Policy & Strategy	AS									
Annual Risk Management Report	AS	X								X
Strategic Risk Register	AS	X	X	X		X	X	X	X	X
Internal Audit										
Internal Audit Charter (Annual)	RW	X								X
Internal Audit Consultation / Plan	RW	X					X		X (verbal)	X
Internal Audit Quarterly Report	RW		X			X		X		
Internal Audit Annual Report (Interim / Final)	RW	X (I)		X(F)						X
Internal Audit EQA Report	NC			X						
External Audit (Grant Thornton)										

	Mtg. No.	1	2	3	Dev. Mtg.	4	5	6	7	1
Committee Work Area	Contact / Author	02.06.21	28.07.21	15.09.21	13.10.21	17.11.21	19.01.22	16.03.22	13.04.22	01.06.22
Audit Finding Report (ISA260 Report)	GT					X				
External Audit Plan (2021/22)	GT		X							X
Auditors Annual Report on 2020/21 VFM Arrangements	GT							X		
External Audit Progress Report/Update	GT	X	X	X			X		X (verbal)	X
Financial Reporting and Accounts										
Financial Regulations – Update	NC/SLo									
MTFS	NC/SLo							X		
Statement of Accounts (Draft / Final)	NC		X(D)			X(F)				
Corporate Finance and Performance Management & Capital Programme Update	NC			X				X		
Treasury Management Annual Report	NC									X
Treasury Management Progress Report	NC							X (inc. in the corporate finance update)		
Treasury Management Policy & Strategy Statement	NC							X (inc. in the MTFS update)		
Designated Schools Grant	NC							X (inc. in the MTFS update)		
Other Corporate Functions contributing to overall assurance programme to be determined:										
Update on Glassworks	KMcA		X			X		X		X
Update on Covid-19 Response	SLa		X			X		X		
Information Governance and Cyber Security update (twice yearly)	SIH	X				X				
DPO Update (twice yearly)	RW	X				X				

SCRMCA	MMcM								X	
Designated Schools Grant	NC									
Partnership Governance	RW									
Climate and Sustainability Commitments	KMcA/SC									

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