

<b>MEETING:</b>	Audit and Governance Committee
<b>DATE:</b>	Wednesday 15 March 2023
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Council Chamber, Barnsley Town Hall

## MINUTES

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

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

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

### 75. MINUTES

The minutes of the meeting held on the 18 January 2023 were taken as read and signed by the Chair as a correct record.

### 76. EXTERNAL AUDIT PROGRESS REPORT

Members received the report from representatives of Grant Thornton, external auditors; Gareth Mills (Key Audit Partner and Engagement Lead) and Thilina De Zoysa (Engagement Senior Manager). The report provided Members with an update on the external auditor's progress in delivering their Audit Code responsibilities.

Members were advised the audit of the 2021-22 accounts had concluded in January 2023, which was ahead of other comparable authorities. It was highlighted that the work on Value for Money was on track for a March 2023 conclusion and that this information would be circulated informally to Members on completion before being formally presented at the next meeting of the Audit and Governance Committee.

It was explained to Members that the 2022-23 accounts deadline set by national government was September 2023 and that assurance could not be given that this would be met. A November 2023 completion date was set by Grant Thornton as a realistic target. Members were signposted to Appendix A of the report which set out some of the challenges faced by local authorities across the country in meeting deadlines for the publication of audited accounts.

#### RESOLVED:-

1. That the External Audit Progress report be noted; and
2. That the Value for Money report be circulated to Members ahead of the next meeting of the Audit and Governance Committee; and

3. That the Head of Internal Audit, Anti-Fraud and Assurance work with Governance colleagues to ensure meeting dates of the Committee in late 2023 were scheduled to compliment Grant Thornton's report publication timetable.

## **77. STRATEGIC RISK - FINANCIAL SUSTAINABILITY**

Members received the report of the Director of Finance to provide an update on the Council's Financial Sustainability Strategic Risk, in particular referencing the 2023/24 Budget, Council Tax Setting and updated Medium Term Financial Strategy for the period covering 2023-2026.

During Member discussion it was raised that some schools across the borough were under significant financial pressure and questioned whether this could have budgetary impacts. Members additionally advised that negative feedback had been received due to school budgets being linked to SEND provision, despite fixed costs being consistent. The Council was working with schools to overcome budget challenges, but ultimately support would not be funded by the Council. It was advised that the Head of Internal Audit, Anti-Fraud and Assurance was to meet with the Executive Director Children's Services to look at working with a cluster of schools on identifying where efficiencies could be made.

An additional query raised by Members related to the local government finance settlement and monies being set aside. It was advised that the only element not allocated in the budget was a general social care grant of £7 million which was being held back.

### **RESOLVED:-**

1. That the report be noted; and
2. That the Director of Finance arrange a briefing to Members on the detailed content of the report.

## **78. STRATEGIC CONCERNS/RISK REGISTER**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance to introduce the next scheduled strategic risks to consider. These risks were presented by the Director of Finance and were Financial Sustainability (considered as part of the MTFS Report to the Committee) and Threat of Fraud.

Members were informed that the online training provision for officers on the topic of general anti-fraud awareness had recently been refreshed and that specific training on procurement fraud risk was being developed. Engagement with the Communications and Marketing Service was underway to ensure there was a general awareness of the risk of fraud, with various events and campaigns planned throughout 2023.

Cyber risk was identified as key and work was underway to prepare the Council for “when” this were to happen, rather than “if”. Members were advised that some cyber attacks had left Councils inoperable for months and therefore this work was a major focus in terms of resilience. An exercise had taken place with senior officers as a means of conveying that cyber risk was service-owned and not the sole responsibility of IT colleagues.

During Member discussion, it was questioned as to what work internal audit undertook to address financial sustainability. Members were advised that this was captured in transformation work and that this work aimed to elicit as much efficiency and effectiveness over its course. If a service was particularly large, complex, or transformative then time would be provided to support this transformation. Regular discussions were taking place on strategic oversight and planning, to ensure an effective response and diversion of resources where required.

Members additionally discussed the threat of fraud and the counter to this being related to a zero tolerance Council culture. It was questioned as to whether this was already strong among the workforce or whether it was something that needed addressing to counteract existing behaviour. Members were advised that a Governance and Ethics Board of officers had been created to identify and discuss issues, with one of the unfortunate issues being the risk of a small minority who were opportunistic or driven by external factors to commit fraud.

**RESOLVED** that the update be noted.

**79. CORPORATE FINANCIAL PERFORMANCE - QUARTER 3 2022/23 (FOR INFORMATION ONLY)**

Members received the report of the Service Director – Finance (Section 151 Officer) to consider the financial performance of the Authority during the third quarter ended 31st December 2022 and assess the implications against the Council’s Medium-Term Financial Strategy (MTFS). £12 million budget pressures were being faced which had been fully funded by reserves set aside.

During Member discussion it was queried as to whether budget had been set aside for agency staff payments given recruitment issues. This was confirmed as having been factored into forward budgets.

**RESOLVED** that the update be noted.

**80. INTERNAL AUDIT PROGRESS REPORT 2022/23 - 31ST OCTOBER, 2022 TO 19TH FEBRUARY, 2023**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance to provide a summary of the Internal Audit activity completed, and the key issues arising from it, for the period from 31st October to 19th February 2023.

**RESOLVED:-**

1. That Members considered the issues arising from completed Internal Audit work in the period along with the responses received from management; and
2. 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; and
3. That the progress against the Internal Audit plan for 2022/23 for the period be noted.

#### **81. CORPORATE ANTI-FRAUD TEAM PROGRESS REPORT - MARCH 2023**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance which provided an account of the work of the Corporate Anti-Fraud Team.

##### **RESOLVED:-**

1. That Members note the progress report and are assured of the effectiveness of the work of the Corporate Anti-Fraud Team; and
2. That Members should continue to receive regular progress reports on internal and external fraud investigated by the Corporate Anti-Fraud Team.

#### **82. CORPORATE ANTI-FRAUD STRATEGY 2021-2024**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance to present the proposed Corporate Anti-Fraud Strategy for the Committee's consideration and comment. Members were advised that this was an annual update and that the national Fighting Fraud and Corruption Locally strategy had been utilised, as the recommended framework for local authorities to adopt.

Members queried outcomes on the proceeds of crime and were advised that at criminal prosecution stage investigations were taken over by South Yorkshire Police. No recent investigations had triggered that result.

Members were signposted to Appendix A, which detailed real savings arising from the work undertaken.

**RESOLVED** that the proposed Corporate Anti-Fraud Strategy be noted, and that Members are assured that it provides the appropriate framework to direct anti-fraud activity over the next 12 months.

#### **83. HEALTH AND SAFETY REPORT 2021/22**

Members received the report of the Head of Corporate Health, Safety and Emergency Resilience to provide an update on progress against the actions identified within the report.

In presenting the report, the Head of Corporate Health, Safety and Emergency Resilience signposted members to the 3 priorities identified. Work was ongoing to aid reduction of some to the bureaucracy around audit and risk assessments, it was advised risk assessment compliance had improved and projected that campaigns planned would help improve this further. The program of service audits commenced in mid-2022 and all had been deemed “satisfactory” at audit stage. Every service had been provided with a prioritised action plan to work through where appropriate.

Members challenged the figures on violent incident reporting in primary schools against a zero figure for secondary schools. It was explained that as the authority only managed this data from one secondary school, there were no figures to report. Members were also advised that the figure reported wasn’t an outlier and there had always been a degree of violence and aggression reported in schools. Members discussed how data broken down by whether these violent incidents were initiated by parents, pupils or staff would be useful.

During Member discussion, it was queried why a priority was to increase incident report rather than reducing incidents. It was explained that minor incidents are experienced by Council employees daily and go unreported, skewing the data and health and safety work. Members additionally highlighted figures where managers had stated there was no risk assessment available. This was explained as a potential misunderstanding of the form during completion and that in the majority of incidents some form of risk assessment was indeed available.

**RESOLVED:-**

1. That the report be noted; and
2. That the actions identified in the Executive Summary of the Health and Safety Report 2021-2022 be noted.

**84. REVISED CIPFA GUIDANCE FOR AUDIT COMMITTEES IN LOCAL GOVERNMENT**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance which reminded Members that the CIPFA Guidance for Audit Committees in Local Government was considered at the previous meeting of the Audit and Governance Committee. The report provided an update on the proposals to meet the requirements of the CIPFA guidance, taking account of feedback from committee members.

**RESOLVED** that the proposed actions in Appendix 1 to meet the requirements of the CIPFA guidance be agreed.

**85. AUDIT COMMITTEE WORK PLAN 2022-23**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance to share the current version of the work plan and to note any amendments.

**RESOLVED** that the work plan for meetings of the Audit and Governance Committee be noted.

## **86. EXCLUSION OF THE PUBLIC AND PRESS**

**RESOLVED** that the public and press be excluded from the meeting during consideration of the following items, because of the likely disclosure of exempt information as described by the specific paragraphs of Part I of Schedule 12A of the Local Government Act 1972 as amended, as follows:-

<u>Item Number</u>	<u>Type of Information Likely to be Disclosed</u>
87	Paragraph 7
88	Paragraph 7
89	Paragraph 3

## **87. DRAFT INTERNAL AUDIT PLAN 2023-24**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance to advise of the proposed Internal Audit Plan for 2023-24. The plan had been drafted, following consultation with individual Directorate Management Teams (DMTs), Senior Management Team (SMT) and the Audit and Governance Committee, to ensure that the plan was focused on priority areas. The consideration and approval of the audit plan was one of the key responsibilities of the Audit and Governance Committee.

### **RESOLVED:-**

1. That the draft Internal Audit plan 2023-24 is approved, acknowledging the need for the Head of Internal Audit, Anti-Fraud and Assurance to exercise his professional judgement during the year to apply the Plan flexibly according to changes in priority, risk and the audit resources available; and
2. That the Committee were to receive quarterly monitoring reports from the Head of Internal Audit, Anti-Fraud and Assurance to demonstrate progress against the plan including information where the plan had materially varied from the original plan.

## **88. COUNTER FRAUD PLAN 2023-24**

Members received the report of the Head of Internal Audit, Anti-Fraud and Assurance to inform the committee of the Corporate Anti-Fraud Team's plan for 2023/24.

### **RESOLVED:-**

1. That the Corporate Anti-Fraud Team (CAFT) plan 2023/24 is agreed, acknowledging the need for the Head of Internal Audit, Anti-Fraud and Assurance to exercise his professional judgement during the year to apply the

plan flexibly, allowing for planned proactive or detective days to be diverted to respond to reactive investigation work as required; and

2. That the Audit and Governance Committee were to receive regular monitoring reports from the Head of Internal Audit, Anti-Fraud and Assurance to demonstrate progress against the plan including information where the plan has materially varied from the original plan; and
3. That Members were to continue their support in embedding a culture of zero tolerance and high levels of awareness regarding fraud and corruption.

## **89. GLASSWORKS - UPDATE**

Members received a verbal update from the Service Director Regeneration and Culture on leasing of units at The Glass Works and work being conducted to tackle unoccupied town centre retail premises, i.e., voids.

### **RESOLVED:-**

1. That the report be noted; and
2. That the Service Director Regeneration and Culture schedule a visual presentation on this topic to Members.

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Chair