

<b>MEETING:</b>	Audit and Governance Committee
<b>DATE:</b>	Wednesday 26 July 2023
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Council Chamber, Barnsley Town Hall

## MINUTES

**Present** Councillors Lofts (Chair), Barnard, Richardson and C. Wray together with Independent Members – Dr R Adams, Ms K Armitage, Mr G Bandy, Mr P Johnson and Mr S Wragg

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

Councillor Richardson declared a non-pecuniary interest as a member of the Local Pension Board.

### 16. MINUTES

The minutes of the meeting held on the 31 May 2023 were taken as read and signed by the Chair as a correct record.

### 17. DRAFT STATEMENT OF ACCOUNTS 2022/23

S Loach provided Members with the Draft Statement of Accounts 2022/23 which outlined the Council's corporate performance for 2022/23 financial year.

S Loach continued that the accounts were submitted with External Audit by the 31<sup>st</sup> May deadline which only 30% of all Local Authorities (94 of 314) completed. G Mills emphasised that Barnsley were in the minority for achieving the deadline.

The key messages from the Narrative report included:

#### General Fund

- Overall cumulative cost pressures of £10.5M
- Drawdown of reserves previously earmarked to balance position
- Consequently, overall general fund reserves reduced by £1.5M
- School related reserves increased by £4.1M
- Minimum working balance retained at £20M

#### HRA

- Overall overspend of £0.7M
- Overall reduction in reserves £3.7M

G Mills added that two members of the Grant Thornton Public Sector Audit team were leaving which in turn had affected some South Yorkshire audits. However, the team were in a position where they could report key findings and bring them to the November meeting, there were hopes to have the audit completed by the 30<sup>th</sup> November but it could be pushed back to December.

Members requested that averages were included in the narrative report when highlighting interest on loans and deposits. S Loach agreed that this could be updated.

Officers continued that the team had worked on the transformation programme through summer to address the 2024/25 gap and phase two would address the 2025/26 gap. In addition, the Council's medium term financial strategy was taken into consideration with hopes it would be completed in February 2024 for the Committees consideration.

K Armitage queried reduced pensions contributions and the Council's perspective. S Loach explained that in agreement with South Yorkshire Pensions the Council would negotiate reducing their contribution with the pensions scheme directly however it is was volatile area. Currently, this was not something the Council was looking to consider.

RESOLVED - That Members noted the Draft Statement of Accounts 2022/23.

## **18. DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23**

R Winter presented the Draft Annual Governance Statement 2022/23 and stated it was published on the 31<sup>st</sup> May alongside the draft accounts. R Winter continued that since the 31<sup>st</sup> May there had been refinements and adjustments made as the team liaised with officers to get an updated picture, the final draft would be brought the committee in November alongside the final accounts.

Dr R Adams queried the information in the report relating to actions being carried forward from previous years. R Winter explained that some actions in the plan had taken longer to complete due to a variety of reasons however from an audit perspective the approach taken with the AGS had been to provide transparency in all areas.

RESOLVED - That Members:

- Considered and commented on the draft AGS which reflected the governance arrangements in place and the actions arising from the annual governance review process.
- Agreed that the final AGS would be presented to the Committee at the November meeting alongside the consideration of the statutory statement of accounts, and thereafter to Full Council for approval.
- Would receive updates on the progress of the actions identified in the AGS action plan at meetings throughout the year.

## **19. AGS ACTION PLAN UPDATE**

A Salt updated Members of the Committee with the Annual Governance Statement Action Plan which highlighted the issues identified following the Annual Governance Review (AGR) for 2021/22.

Dr R Adams queried the deadlines on the action plan and how slippage would be captured over long periods. A Salt explained that a rolling narrative could be used to track the actions.

A discussion was taken around the increase of SEND support need in the borough. A Salt explained that the increase was due to needs being identified earlier therefore highlighting the effectiveness of the strategy. N Sleight added that the team worked collaboratively with the SEND Oversight Board to ensure the children identified receive good quality education, health and social care.

RESOLVED - That Members noted the report and the progress made against each item listed in the Action Plan.

## **20. INTERNAL AUDIT INTERIM ANNUAL REPORT 2022-23**

Members were provided with the Internal Audit Interim Annual Report 2022/23 which provided the Head of Internal Audit, Antifraud and Assurance's interim annual opinion on the adequacy and effectiveness of the Authorities governance, risk management and internal control arrangements based on the work of Internal Audit for 2022-23. Considering the overall results of Internal Audit work undertaken, together with management's implementation of agreed management actions, the interim opinion given was reasonable positive assurance.

G Bandy asked what it would take for the Council to receive a substantial assurance opinion. R Winter explained that audit coverage varied each year and so being able to plot an accurate trend or improvement was difficult. Also, and as a positive demonstration of the Council's openness, Internal Audit are often asked to look into areas where management have some concerns, that by default result in less positive overall opinions.

R Winter added that from the 1<sup>st</sup> July the Internal Audit team would no longer be serving South Yorkshire Police.

RESOLVED - That Members:

- Considered the interim opinion provided by the Head of Internal Audit, Antifraud and Assurance based on the work undertaken and completed relating to 2022-23 regarding the adequacy and effectiveness of the Authority's framework of governance risk management and internal control.
- Noted the key issues arising from the work of Internal Audit in the context of the Annual Governance Statement (AGS).

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## **21. INTERNAL AUDIT PROGRESS REPORT 2023/24**

The Internal Audit Progress Report 2023/24 was presented to the Committee to provide a summary of the Internal Audit activity completed, and the key issues arising from it, for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2023.

RESOLVED - That Members:

- Considered the issues arising from completed Internal Audit work in the period along with the responses received from management.
- Noted the assurance opinion on the adequacy and effectiveness of the Authorities internal control framework based on the work of Internal Audit in the period.
- Noted the progress against the Internal Audit plan for 2023/24 for the period.

## 22. STRATEGIC RISK REGISTER

R Winter presented the Committee with the Strategic Risk Register which included two main strategic risks owned by the Executive Director of Core Services:

- Organisational Resilience
- Emergency Resilience

Dr R Adams queried the metrics used to track staff wellbeing and leadership ability. W Popplewell explained that there was a delicate balance as management needed to recognise employees that were struggling and engage in conversation. This could be difficult to track, quantify and measure making it essential that leaders had the correct training and confidence to tackle these issues.

Dr R Adams asked how the training of leaders would ensure the risk changes from amber to green. W Popplewell explained that absence data in teams could be tracked (including mental health absences).

Councillor Lofts queried if the HR team collated any qualitative feedback around wellness. W Popplewell responded that absence monitoring and manager conversations were mainly used to track wellness.

A discussion was taken around the organisational changes and productiveness following the pandemic. W Popplewell explained that although officers were required to be in the office three days each week, managers and leaders were required to check in with their teams. Employees had benefited from the hybrid working system and the organisation had embraced the change.

Councillor Barnard queried the rate of absences and asked if it had decreased following the hybrid working system. W Popplewell stated that the absence rate was in line with the rest of the county, however in comparison to other Authorities Barnsley was considered to be lower.

A discussion was taken around recruitment and retention, officers explained that there was a balance to be considered as other authorities have different terms and conditions which may be more attractive to potential applicants in turn meaning agency staff were being considered. Councillor Wray asked if there was any analysis on which terms and conditions would benefit Barnsley specifically. W Popplewell stated that the main factor was working arrangements and flexibility, there are talks

to conduct interviews with employees related to the reasons why they chose to stay within the organisation.

RESOLVED - That Members noted the update.

## **23. TREASURY MANAGEMENT ANNUAL REPORT**

S Loach presented the Treasury Management Annual Report which reviewed the treasury management activities carried out by the Council during 2022/23, in accordance with statutory guidance.

Key points to note include:

- The overarching treasury management strategy for 2022/23.
- The economic summary for the year.
- The updated borrowing and investment activities.
- The Council's Prudential and Treasury Indicators.

RESOLVED - That Members:

- Noted the latest expectations for interest rates.
- Noted the activities undertaken during the year to support the Council's borrowing and investment strategies.
- Noted the Prudential and Treasury Indicators.

## **24. CONTRACT PROCEDURE RULES UPDATE**

M Barker presented the Contract Procedure Rules Update which requested the Committees approval to some interim amendments to the Contract Procedure Roles to support transformation activity prior to the completion of a more fundamental review being finalised.

Members raised concerns over the raise from £0 - £20,000 to £0 - £50,000, M Barker assured Members that there was an expectation for Executive Directors to prove there was value for money and the contracts would follow the Council's procurement rules meaning all decisions would be scrutinised.

Dr R Adams queried if the changes in framework were hoped to drive money into the local economy. M Barker explained that the framework was used where appropriate and that the team aims to build value in contracts which in turn means the consideration of local suppliers.

Councillor Barnard welcomed the increase to £50,000 as it would aid in reducing the workload from teams such as Area Councils. Councillor Lofts added that Area Council decisions were well recorded in terms of their audit trails.

RESOLVED - That Members approved the proposed amendments to the thresholds to enable these to be implemented while the further revisions to the full document are finalised.

Members noted that the thresholds would be revised as follows:

- **£0 - £50,000**  
For contracts valued up to and including £50,000 an Executive Director shall proceed in a manner which ensures value for money and the efficient management of the service. Where possible this process shall prioritise the placing of orders with local businesses.
- **£50,001 - £70,000**  
For contracts above £50,000 and up to and including £70,000 the Executive Director must seek to achieve competition and for that purpose invite at least three quotations via YORtender. Where appropriate at least two of the companies invited to quote should be local businesses.
- **£70,000**  
All procurement above £70,000 in total contract value must be undertaken by the Strategic Procurement Team. For procurements above £70,000 to the FTS threshold for goods and services, an open tender procedure must be followed.

## **25. DRAFT COMMITTEE ANNUAL REPORT 2022/23**

The Draft Committee Annual Report 2022/23 was provided to Members for their information, the report highlighted the role of the Committee and how it has discharged its responsibilities during 2022/23.

RESOLVED - That Members considered the draft Annual Report 2023/23 and subsequently recommend it for Full Council on 23rd November.

## **26. EXTERNAL AUDIT PROGRESS REPORT**

G Mills, (representing the External Auditor) presented the External Audit Progress Report to the Committee explaining that his updates were included in the Draft Statement of Accounts 2022/23 (Item 3).

RESOLVED - That Members noted the update.

## **27. AUDIT COMMITTEE WORK PLAN 2023-24**

The Committee received a report providing the indicative work plan for the Committee for its proposed scheduled meetings to 25<sup>th</sup> May 2024.

It was noted that the consideration of two children's services strategic risks had been rescheduled for the 22<sup>nd</sup> November meeting due to a diary clash of the Executive Director Children's Services.

In addition to this Members were informed that the Committee Effectiveness Review would be considered at the October development session. A questionnaire relating to the this would be sent out to Committee members for completion, the collective results would be shared and considered in October.

RESOLVED - That Members noted the updated work plan.

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

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest not to disclose information outweighs the public interest in disclosing it.

## **29. QUARTER 4 2022/23: SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES (SEND) IMPROVEMENT PROGRAMME PROGRESS AND FINANCIAL POSITION**

N Sleight provided the Committee with the Quarter 4 2022/23: Special Educational Needs and/or Disabilities (SEND) Improvement Programme Progress and Financial Position.

The report for 2023/24 would be reshaped to have a stronger focus on performance and impact, aligned to the Safety Valve monitoring requirements and the new SEND impaction framework.

RESOLVED - That Members:

- Considered the progress to date and the actions taken to ensure system-wide improvements to support children and young people with SEND.
- Noted the ongoing work to secure children's, young people's and parent/carer voice at all levels of the system.
- Noted the latest financial forecast in respect of the SEND/high needs block and actions being taken to mitigate future risk.

## **30. ANNUAL FRAUD REPORT 2022-23**

R Winter presented the Annual Fraud Report 2022-23 which provided an account of council's antifraud related activity undertaken by the Internal Audit's Corporate Antifraud Team during 1 April 2022 to 31 March 2023.

National Antifraud Week runs from 13<sup>th</sup> to 17<sup>th</sup> November 2023, the team has plans to create a programme of activities to raise awareness both internally and externally.

RESOLVED - That Members:

- Considered and commented upon the Annual Fraud Report at part of their monitoring role.
- Continued their support in embedding a culture of zero tolerance and high levels of awareness regarding fraud and corruption.

### **31. GLASSWORKS UPDATE**

An update on the Glassworks was provided to the Committee, officers explained that Internal Audit and management had collaborated to develop an assurance framework around how the centre was managed.

Additionally, the management team had worked on a self-assessment exercise to assess their effectiveness, the results would be collated, and an update would be provided in August.

RESOLVED - That Members noted the update.

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Chair