

<b>MEETING:</b>	Audit and Governance Committee
<b>DATE:</b>	Wednesday 29 May 2024
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Council Chamber, Barnsley Town Hall

## MINUTES

**Present** Councillors Lofts (Chair), O'Donoghue and P. Wright together with Independent Members – Dr R Adams, Mr G Bandy and Hobson

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

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

### 2. MINUTES

It was noted that in respect of minute number 97, the SYMCA funding was the Renewal Fund rather than the Transforming Cities Fund.

The minutes of the meeting held on the 20 March 2024 were taken as read and signed by the Chair as a correct record.

### 3. ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE

The Head of Corporate Assurance submitted the Annual Governance Statement Action Plan Update.

Member's attention was drawn to the Action Plan which was attached as Appendix 1 to the report and was approved alongside the Annual Governance Statement by the Audit and Governance Committee and Full Council in November 2023.

The report summarised details of the action required, the lead officer, anticipated timescales to deliver the actions and the latest updated position on progress against the actions. These actions would be carried over into the action plan for the Annual Governance Statement 2023-24.

Members queried the action regarding Personal Development Reviews (PDR) and asked why this action had carried over. It was explained the PDRs were an important process for staff however due to time constraints and capacity the review would be undertaken in the next year.

It was noted that actions identified for both Workforce/HR Management – Efficiency Improvement and Information Governance – Efficiency Improvement were the same therefore the action owners would be asked to make the actions identified for both areas more nuanced.

RESOLVED that the Committee note the report and progress made against each item listed in the Action Plan.

#### **4. ANNUAL RISK MANAGEMENT REPORT**

The Head of Corporate Assurance submitted the Annual Risk Management Report for the period 2023-24.

The report summarised the risk management activity over the last twelve months to contribute to the assurances the Committee requires as part of the annual governance statement process. The report also took a forward look at the work planned for the current financial year.

The risk management system had been operation for three years with 173 risks registered.

Strategic Risks were reviewed on a quarterly basis by SMT where consideration is given to each risk to highlight any changes and therefore the status of the risk. Strategic risks were also reviewed formally by the Audit and Governance Committee, and review was undertaken by Cabinet bi-annually.

Corporate Assurance undertook an independent compliance review of the risk management arrangements in November 2023. The final assurance opinion was positive (reasonable) in relation to the internal control framework. One agreed management action was reported in terms of the need for a consistent approach to the management of risks. Revised guidance will be issued as part of the updated Risk Management Framework which was scheduled to be presented at the July meeting of the Committee.

Digital options such as co-pilot and power BI were to be explored further to identify any potential enhancements that could be made to the management reporting for risk management.

Over the next twelve months, a review of the Council's risk maturity would be undertaken to provide further assurance on the Council's risk management approach.

Member discussion arose regarding the relatively high number of risks the Growth and Sustainability directorate reported when compared to other business units. It was noted that there are a number of capital projects within that directorate and therefore some project risks may have been included in addition to operational risks. . The risk management framework was not prescriptive therefore it was down to individual business units to decide the number of risks to be recorded in their own area, and this directorate includes operational front line service delivery, therefore it was difficult to drawn comparisons between different directorates.

Members noted that a quarterly process was undertaken in which check and challenge was performed on data quality.

RESOLVED that the Committee considered the report as a contribution to the Committee's assurances regarding the Council's governance arrangements.

## **5. CORPORATE ASSURANCE INTERIM ANNUAL REPORT 2023/24**

The Head of Corporate Assurance submitted the Corporate Assurance Interim Annual Report for the year 2023-24.

The final report would be presented to the Committee later in the year, to coincide with the final Statement of Accounts and Annual Governance Statement.

Considering the overall results of Corporate Assurance work undertaken to date, together with management's implementation of agreed management actions, the interim opinion given was reasonable (positive) assurance.

It was noted that 90% of the reports conducted to date had a positive assurance opinion.

Member discussion arose regarding if there was an escalation process if revised completion dates had not been met. It was explained that the Corporate Assurance Managers regularly attend DMT meetings to review and challenge. This was also monitored in the quarterly review by SMT.

RESOLVED that the Committee:

- (i) Considers the interim opinion provided by the Head of Corporate Assurance based on the work undertaken to date relating to 2023-24, regarding the adequacy and effectiveness of the Authority's framework of governance, risk management and internal control; and
- (ii) Notes the key issues arising from the work of Corporate Assurance in the context of the Annual Governance Statement (AGS).

## **6. DRAFT ANNUAL GOVERNANCE STATEMENT 2023/24**

The Head of Corporate Assurance submitted the draft Annual Governance Statement 2023/24.

The production of an AGS was a statutory requirement as defined in the Accounts and Audit Regulations 2015. Whilst there was no statutory requirement for the Committee to consider the draft AGS, it was best practice. The draft AGS would be published on the Council's website, as required, by the deadline of 31st May 2024.

The draft AGS had been prepared in accordance with the annual governance review process which had been presented at the Committee earlier in the year.

There were no new areas of significant weakness to report and action plans were already in place with business units to be implemented throughout 2024-25.

RESOLVED that the Committee:-

- (i) Consider the draft AGS which reflects the current position in terms of the annual review of the effectiveness of the governance arrangements in place and the actions arising; and
- (ii) receive and consider the final AGS at a future meeting (to align with the financial accounts being finalised).

## **7. DRAFT STATEMENT OF ACCOUNTS 2023/24**

S Loach, Head of Corporate Finance and Business Partnering, informed the Committee that Members had received the Draft Statement of Accounts 2023/24 via email the previous day. The Council would be publishing the draft accounts by the statutory deadline of 31 May 2024 for public inspection, and Members were invited to provide any comments to the Finance team. Members would have further opportunity to provide comments before the finalised accounts were published later in the year.

RESOLVED that Members note the Draft Statement of Accounts 2023/24.

## **8. EXTERNAL AUDIT PLAN 2023/24**

T De Zoysa, Senior Manager Public Sector Audit at Grant Thornton attended the Committee to present the External Audit Plan 2023/24.

The key points were highlighted as follows:-

- The national context of audit delays had not occurred at the Council and therefore the backlog guidance was not applicable, with Barnsley Council having the past five years audits fully closed.
- It was noted that the Audit Committee having sight of the draft Statement of Accounts before statutory publication was not common at other Local Authorities and was an example of good practice, which was acknowledged by the external auditors.
- The risk assessment regarding Value for Money (VfM) had not identified any significant weaknesses at planning stage.
- In regard to group assets, the Council now had full ownership of Oakwell Community Assets Limited.
- Risks requiring special audit consideration and procedures were management over-ride of controls, valuation of land and buildings and valuation of the net pension fund balance. Any significant findings in these areas would be reported in the ISA 260.
- There were no significant changes identified in gross expenditure.
- External audit planned to complete the audit by the end of November 2024 including the VfM work, which was usually completed in January.

Member discussion arose regarding the increase in audit fees. It was noted that historically external audit fees had not been sustainable, and it was difficult to recruit auditors, especially specialising in the public sector due to work being subject to high

levels of regulation. The increase in fees was led by various stakeholders including national government.

N Copley, Director of Finance, further added that breadth and depth of audits had increased exponentially in the last few years and there was much closer scrutiny of Local Authorities.

RESOLVED that the report be noted.

## **9. CONFIDENTIAL REPORTING (WHISTLEBLOWING) ANNUAL REPORT**

The Executive Director Core Services submitted the Confidential Reporting (Whistleblowing) Policy Annual Report which reviewed the activities and current issues regarding the Council's Confidential Reporting (Whistleblowing) Policy and supporting procedures.

New whistleblowing officers were now in place, and this had been published.

Specifically in relation to the use of the whistleblowing arrangements, during the last 12 months there had been seven instances of contact, all received via either email or letter. Of the concerns raised, two were made anonymously. It was noted that investigations are typically more complex when made anonymously and it was therefore more difficult to ascertain if accusations were made maliciously.

Members queried whether it was always the whistleblowing officers that undertook the investigation. It was explained that the investigation was always flagged by the whistleblowing officer to maintain confidentiality, but the officer would consult with the correct service area and management as part of their investigation.

Member discussion arose regarding the categorisation of the nature of concerns, and questioned whether these could be broken down further. It was noted that this would be looked into as to whether any further detail could be added to the nature of concern categories without compromising confidentiality.

In regard to whistleblowing policies acting as a deterrent, it was noted that there was no specific research into this however the Council had a clear stance that fraudulent behaviour would not be tolerated, as seen in the Anti-Fraud framework recently presented to the Committee.

The Council had not received feedback from staff members that had used the whistleblowing policy however this was something that the team would look to include in the annual report next year.

RESOLVED that 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 the Anti-Fraud function in the Corporate Assurance Team.

## **10. DATA PROTECTION OFFICER ASSURANCE REPORT**

The Data Protection Officer submitted the Data Protection Officer Assurance Report.

The Committee were informed that the new Data Protection Officer (DPO) was in the post, and this had been registered with the Information Commissioner's Office (ICO).

As part of a rationalisation of senior meetings, the role of the previous Information Governance Board had been amalgamated within a new Governance, Ethics and Assurance Board to which the DPO reported.

It remained the priority of the Information Governance and Security Team to constantly reduce the number of data incidents and help improve the timeliness of management actions to minimise the risk of incidents recurring. An analysis of data incidents would be presented to the Governance, Ethics and Assurance Board for monitoring.

A key issue raised and discussed at the Information Governance Board was to review the role of information asset owners across the Council. This role was key to embed good awareness and compliance with various aspects of information governance within services. Corporate arrangements for information governance management were good, but there was need for a renewed focus to ensure services are fully aware of their responsibilities to maintain good levels of compliance.

The Committee discussed the relatively low percentage of non-networked employees who had undertaken the mandatory training outlined in the report. It was noted that management would look at differential training for different employees as not all training needs were the same.

Member discussion arose regarding the appointment of DPOs at Local Authorities, it was noted that there is a lack of guidance on who should be the DPO as much of the guidance focused on who should not be. In regard from the Monitoring Officer's perspective, the DPO should report to the highest level of management, and as the Monitoring Officer's role is to keep the Council legally safe information sharing between the Monitoring Officer and the DPO was important.

RESOLVED that the Committee consider the report and the information and assurances within it and receive a further update in 6 months' time to contribute to wider and continuous assurances as part of the Annual Governance Review process.

## **11. INFORMATION GOVERNANCE AND CYBER SECURITY UPDATE**

S Marshall, Governance and Compliance Manager and S Waddington, Security and Information Specialist, attended the Committee to present the Information Governance and Cyber Security Update.

The key points of the presentation were noted as follows:-

- The Council had introduced security benchmarking to better understand the current security position and measure progress over time. Further updates would be brought to the Committee in regard to progress against benchmarking.

- The continuous improvement cycle would enable the Council to adopt best industry practice and monitor progress more effectively.
- Using the benchmarking, progress could be measured in a more accessible way as the data was easier to understand for those who were not experts in cyber security.
- Benchmarking had begun in April, with a 15.02% increase in six weeks. It was noted that the drops featured on the graph were primarily due to new cyber threats.
- Benchmarking would help to prevent data loss and protect relevant data.
- The team would use National Cyber Security Centre (NCSC) Cyber Assessment Framework (CAF), Microsoft Secure Score, Bit Defender and appropriate other tools to monitor and improve security posture.
- This would create a reportable metric that is fully auditable, at no extra cost to the Council.

RESOLVED that the update be noted.

## 12. STRATEGIC RISK REGISTER

The Head of Corporate Assurance submitted the Strategic Risk Register.

The Strategic Risk Register was collectively reviewed by the Senior Management Team (SMT) on 14 May 2024. The changes agreed at the SMT meeting were the down grading of one High classified risk to Medium, this being Zero Carbon and Wider Environmental Commitments. There remained two risks classified as high (red response rating), and ten risks classified as medium (amber rating). No risks were classified as low (green rating) in relation to the level of response and intervention required.

W Lowder, Executive Director Place Health and Adult Social Care and J Chapman, Service Director Adult Social Care and Health, attended to present the Safeguarding Adults and Responsibilities under the Care Act 2014 strategic risks to the Committee.

The key points were noted as follows:

- The first strategic risk, Potential for a Safeguarding failure in Adult Social Care, was rag rated medium (amber). Whilst the team were confident that controls were in place to minimise the potential for safeguarding failures there remained a need to continually appraise these and be able to identify any changes which may weaken current levels of assurance.
- The second strategic risk, Meeting our statutory responsibilities under the Care Act 2014, was rag rated medium (amber). The Care Act 2014 was a statutory requirement of the Local Authority and with the combined impact of the pandemic, reform programme requirements, cost of living crisis there were concerns the Council could have challenges in meeting statutory responsibilities.
- There were pockets of challenge in regard to Adult Social Care such as the cost of living crisis and an ageing population, and the team were working closely with the finance team to ensure the Medium Term Financial Plan provided adequate resource.

- The directorate had been working on various projects including a workforce plan which would be in place by the end of the month, and a market shaping plan which would demonstrate how the team would develop the care market in Barnsley.
- The directorate had seen an increase in safeguarding referrals regarding financial abuse, and the team worked closely with partners in the police at the front door service to investigate and triage referrals swiftly.

Members queried the risk descriptions and whether more detail could be included, it was noted that the Corporate Assurance Manager would shortly be meeting with SMT to review descriptions and actions, and the report would be looked at to explore whether further detail around actions could be included.

RESOLVED that the Committee note the changes made to the strategic risks by the SMT and the updates from the two risks presented at the meeting.

### **13. AUDIT AND GOVERNANCE COMMITTEE WORK PLAN 2024/25**

The Head of Corporate Assurance submitted the Committee Work Programme 2024-25.

The work plan had been populated for the 2024/25 municipal year and included suggestions put forward by Members for the Briefing Sessions.

A schedule of current strategic risks had also been included, for a 'deep dive' by the Committee at each meeting.

RESOLVED that the Committee note the updated work plan.

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

RESOLVED that the public and press be excluded from this meeting during the consideration of the following item in view of the likely disclosure of exempt information as defined by Paragraph 7 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

### **15. ANNUAL FRAUD REPORT 2023/24**

The Head of Corporate Assurance submitted the Annual Fraud Report 2023/24.

The report provided an account of the Council's anti-fraud related activity undertaken by the Corporate Assurance Team during 1 April 2023 to 31 March 2024. Appendix A provided an account of counter fraud related activity undertaken by the Corporate Assurance Team during the period.

The Corporate Anti-Fraud Framework had been refreshed and presented to the Committee at the March meeting.



The Council had participated in Fraud Awareness Week with various events co-ordinated by the Corporate Assurance Team, and National Fraud Initiative data matching and reactive fraud work continued to be undertaken by the team.

Members queried duplicate payments that were detailed in appendix A, it was noted that the Council had duplicate payment software and internal controls in place to manage the risk of duplicate payments. Should attempts be made by people to obtain duplicate payments, these are investigated, and internal controls reviewed again to enhance if required.

RESOLVED that the Committee:-

- (i) Considers and comments upon the Annual Fraud Report as part of its monitoring role; and
- (ii) Continue their support in embedding a culture of zero tolerance and high levels of awareness regarding fraud and corruption.

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Chair