

MEETING:	Audit and Governance Committee
DATE:	Wednesday, 2 June 2021
TIME:	4.00 pm
VENUE:	The Civic, Barnsley - The Civic

MINUTES

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

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

The minutes of the meeting held on the 14th April, 2021 were taken as read and signed by the Chair as a correct record.

3. APPOINTMENT OF VICE CHAIR

RESOLVED that Mr S Gill be appointed Vice Chair of this Committee for the ensuing year.

4. DATA PROTECTION AND INFORMATION GOVERNANCE COMPLIANCE - PRESENTATION

Mr R Winter (Data Protection Officer) and Ms S Hydon (Head of Service Design and Compliance) gave a presentation which presented a 6-monthly update on Data Protection and Information Governance Compliance.

The presentation covered four themes, Records Management, Incident Management, Smart Working and Cyber Security. Mr Winter outlined the Data Protection issues identified within each area and Ms Hydon outlined the procedures and processes that had been put in place to ameliorate any issues or concerns.

Particular reference was then made to the following:

- Records Management:
 - The digitisation of records
 - The general review needed by Business Units
 - Physical records held in Council buildings
 - The impact on the ability to respond promptly to Freedom of Information and Subject Access requests
 - An audit to be undertaken of records management and document retention in 2021/22

The benefits of homeworking meant that there was less use of paper which meant there was less likely to be a records/data breach and records were being digitised where possible.

The Council currently had 22,200 boxes of documentation currently in storage as well as a significant amount of microfiche. The digitisation of these documents was ongoing.

Work was also ongoing to index digitised records so that they were easily retrievable, and the Records Manager was looking at retention of records so that those no longer needed were destroyed securely.

The Information Asset Management Record had been updated so that the location of and information about records held was known.

Shared and network drives had been migrated into SharePoint with appropriate naming conventions making it easier and quicker to retrieve information.

Mandatory Training had been provided and elements of records management were included within Information Governance Training.

A new approach 'Easy File' had been developed in relation to employee/HR records. The Data Protection Impact Assessment Template had been updated to include records management.

- Incident Management
 - There were still relatively low numbers and were decreasing but there was always room for learning and improvement
 - The majority of incidents related to 'disclosure in error' by email and post
 - The Data Protection Officer would review this area during 2021/22 to ensure that the response by Business Units was appropriate, timely and avoided repeat incidents

The number of breaches this quarter was from this quarter last year. This may be attributable to home working where it was sometimes easier to concentrate with fewer distractions or the fact that people were using paper less. There was, however, still the chance of emails going amiss.

The use of the IT DigITal Hub meant that incidents were easily reported so that appropriate action could be initiated by the Information Governance Team. A brief outline of the action taken to give support and reassurance to staff was outlined and it was noted that staff were mortified that such a mistake had been made.

All lessons learned were captured and this informed future actions.

The Service had a good relationship with the Information Commissioner in relation to significant breaches, although this was very rare.

Appropriate training was provided for Elected Members and officers every 8-2 weeks and focused on any areas of concern. In addition, a mandatory training dashboard had been introduced which allowed managers to identify who and who had not done training on time.

An Incident Dashboard enabled managers and Service Directors to see breaches or near misses.

In order to address emails being sent to the wrong recipient, an intelligence had been built into the email client which provided a prompt and questioned whether or not the recipient was correct.

- Smart Working - the Smart Working initiative which had been in place had been expedited as a result of the pandemic and this had highlighted some important Data Protection and Information Governance issues and linked to records management. As a result, the policies and guidance around smart working were under review

Smart Working was a corporate programme and how Information Governance Supported that was around policies. The Mobile Device policy had been reviewed and a new 'Bring your own device' policy had just been approved which would be launched later in the summer.

The concept of 'Barnsley is our office' was becoming embedded and as part of that all IT devices had been updated and a lot of work had been undertaken around digital skills and giving people the right skills and tools to work anywhere safely.

- Cyber Security
 - Hackney, Redcar and Cleveland Councils had been victims of significant cyber security attacks
 - Staff were usually the gateway to such incidents
 - Phishing, whaling and password security issues were areas where there was a need to be vigilant, to minimise risks and train people to be aware of vulnerabilities
 - The Data Protection Officer was currently undertaking an assurance review focusing particularly on the first 12 months of the Data Security Strategy to examine how effective it had been and examining whether the key milestones had been achieved

This was an area of key focus. The Hackney, Redcar and Cleveland Councils had been hit by a ransomware attack and it had taken several months for all the systems to be all brought back on line and even today they were still experiencing issues with some legacy systems.

Generally speaking cloud hosting solutions were found to be more robust to attack and in the Council a 'Cloud Where Appropriate' Strategy had been adopted and SAP, one of the most critical systems, was being migrated over from a legacy system.

All the Security Team were Microsoft assured/cloud accredited which gave additional assurance.

A new Information Security Management Solution had been introduced and this linked to the contracts register so should any suppliers make any changes to their systems the Council would know about it and could be assured that there was no impact on the security systems and controls in place.

PSN (public Service Network) was the main accreditation tool and ensured that secure systems were in place. Any areas that failed the PSN test had either been upgraded or their use discontinued.

Succumbing to a Phishing attack was generally one of the Key areas of vulnerability and one of the easiest ways to allow cyber criminals onto any network. Users were tested regularly and phishing and whaling campaigns were undertaken. Subsequent to the exercises, anyone clicking on the links in error were advised of what they should have done and were required to undertake a mandatory training course.

The Service had also undertaken a password cracking exercise recently to test compliance with the Council's Password Policy.

Finally, the Service had signed up to the National Cyber Security Centre initiatives which assisted with proactive monitoring and early warning of issues.

The Data Protection Officer then gave a brief overview of DPO Assurance Reviews planned and DPO activity undertaken during 2020/21.

In the ensuing discussion, the following matters were highlighted:

- The Data Protection Officer reported that either he or Internal Audit undertook assurance reviews where these were not of a technical nature. Regular penetration testing and numerous health checks were undertaken throughout the year. External accreditation providers were used including central government
- Staff were encouraged to use the 'bcc' function in emails to prevent third party email addresses being given out inadvertently. The Egress security system issued prompts in relation to this
- Last year the authority stopped over 8,000 phishing and cyber attacks and these came from all over the world. One had been successful but had been stopped immediately
- The Council would always follow National Cyber Security Centre guidance and not look to pay a ransom. The main focus was to stop an attack in the first place and to have business continuity arrangements in place should they be needed
- There were no repeat individual offenders although there had been repeat incidents from Teams. This was largely human error and additional training was always provided. If an individual continued to do something wrong that would be taken up as a capability issue. Previous concerns raised with the Information Commissioner had all come back with no action recommended as the processes and procedures in place were seen to be robust
- The Executive Director Core Services briefly reported on the plans being prepared for agile working following the easing of lockdown. A hybrid approach was being adopted to allow a mix of home and office-based working. These plans were being prepared within the context of the need to secure and sustain the economy of the town. A set of principles was being devised entitled 'Barnsley is our office' but it was recognised that for some professions home working was not and never had been an option. It was unlikely that the former ways of working would resume exactly the same as before the

pandemic and the authority was looking at the future use of office space and potential savings to be made

- Reference was briefly made to the arrangements in place and being introduced in order to ensure data and information security in relation to remote working

RESOLVED that the presentation be received and noted and that Mr Winter and Ms Hydor be thanked for attending and for answering Members questions.

5. INTERNAL AUDIT INTERIM ANNUAL REPORT 2020-21

The Head of Internal Audit, Anti-Fraud and Assurance submitted his interim annual report on the adequacy and effectiveness of the Authority's Internal Control Arrangements based on the work of Internal Audit for 2020/21 which had been prepared in accordance with the Public Sector Internal Audit Standards.

In order to comply with these Standards, the report provided:

- An opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control
- A summary of the audit work undertaken to formulate the opinion
- Details of key control issues identified which could be used to inform the Annual Governance Statement
- The extent to which the work of other review or audit bodies had been relied upon.

Appendices to the report provided a summary of Internal Audit reports for the year, details and outcome of other Audit Activities, projects and work currently in progress, agreed management actions and the Financial Year End Performance Indicators 2020/21.

The report indicated that based on the overall results of Internal Audit work undertaken to date, together with the management's implementation of recommendations, and despite the fact that the plan had changed significantly throughout the year because of the pandemic, the indicative opinion given was a reasonable (positive) assurance. This was based on an agreed programme of risk-based audit coverage that had enabled a valid indicative assurance opinion to be provided.

There was clearly a positive culture in the Council to explore where control and governance improvements could be made, and it was important that this culture remained and focused on maintaining an appropriate risk-based and effective framework of controls as the authority continued to respond to and recover from the Covid 19 pandemic and as it worked towards the Barnsley 2030 vision.

The key results from all completed audits had been reported previously within the Internal Audit progress reports and these were summarised in this report. Throughout the year the Committee had also been made aware of progress in the implementation of audit report recommendations.

The current draft Audit Plan for 2021/22 focussed on supporting management to consider the approach to controls in the context of the impact of Covid 19.

In the ensuing discussion, the following matters were highlighted:

- There was a discussion of whether or not the Council should be striving for substantial assurance rather than reasonable and this was placed within the context of affordability. There were pockets of the Council that were very well controlled and got a substantial assurance. The overall aim, however, was for Internal Audit to identify improvements and a less than substantial opinion might be given as areas for improvement had been identified. The issue then was how management embraced those opportunities for improvement and judgements had to be made about the risks inherent with what was found versus the cost of the controls that could be implemented. The External Auditor felt that it was important that management was encouraged to ask Internal Audit to look at areas where there was a potential issue and for a list of recommendations to be issued and a limited assurance grading given in an open and transparent culture rather than to detract from management not wanting to ask for such reviews.
- Information was provided about the outcome of the two reports into Procurement Compliance and the action taken to ensure that practice and understanding required was embedded. This provided a good example of where Internal Audit was brought in for advice and support to what was a known and existing problem. It was noted that the issues identified had been addressed
- Background information was provided about the lack of declaration of interests by NPS Barnsley Ltd and the issue around the blurring of client/contract arrangements. This had not been a serious or irregular issue and had now been addressed. The issue had contributed in part to the decision to end the previous arrangements
- Reference was made to the increase in the number of reports issued during the year and to the significant increase in the number of reasonable assurances given particularly compared to the previous two years. It was reported that the figures were skewed slightly because of the work undertaken on Covid which had increased the number of reports by 15. The Committee had seen sight of these before and all had received a reasonable assurance. There had been more pieces of work undertaken but this could vary year on year dependent upon the Audit Plan and the size and type of the work undertaken. It was hoped that this was a trend going forward as it was hoped that more assurance reports would be undertaken in future
- There had been no change in the methodology or criteria for the audit assessment that would impact on the 'grading' of the assurance opinion given

RESOLVED:-

- (i) that the assurance opinion provided by the Head of Internal Audit, Anti-Fraud and Assurance on the adequacy and effectiveness of the Authority's framework of governance, risk management and control be noted; and
- (ii) that the key issues arising from the work of Internal Audit in the context of the Annual Governance Statement be noted.

6. INTERNAL AUDIT CHARTER 2021-24

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report prefacing the Internal Audit Charter 2021-2024 which had been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS) and which provided a reminder of the key aspects of the Internal Audit Function and gave assurance regarding how the Internal Audit Function was resourced, managed, organised and delivered its responsibilities.

It was reported that the Charter had been reviewed by the assessor who was undertaking the external quality assessment which was commencing next week. He had commented that this was an exemplar Charter and he had been given permission to use it when asked by other Internal Audit Teams what a good Charter looked like. The Head of Internal Audit, Anti-Fraud and Assurance was, therefore, satisfied that the requirements of the PSIAS had been met.

The Charter remained largely unchanged from the previous version with the exception of a few minor adjustments. It had been written in a generic manner and would be shared with other client organisations following this meeting.

RESOLVED that, being satisfied that Charter meets the requirements of the Public Sector Internal Audit Standards and adequately represents and describes the required function to provide this Committee and Senior Management with a professional service, the Internal Audit Charter, be approved.

7. CORPORATE ANTI-FRAUD TEAM ANNUAL REPORT - 2020/21

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report providing an account of counter fraud related activity undertaken by the Internal Audit Corporate Anti-Fraud Team during the period 1st April, 2020 to 31st March.

In 2020/21 the Team had a total budgeted plan of 600 days, however, as part of the Council's response to the Covid pandemic, two members of the Team had been redeployed to other council departments for a total of 101 days. Preventative anti-fraud work undertaken totalled 319 days, reactive investigations totalled 236 days and a further 50 days related to time provided by Internal Audit colleagues in respect of business support grant assurance.

The report provided a summary of activity together with the outcome in relation to corporate pro-active counter fraud activity, National Fraud Initiative work and reactive work undertaken during the year. An appendix to the report provided a summary of the reactive work undertaken.

In the ensuing discussion, the following matters were highlighted:

- There was a discussion of the work undertaken in relation to the misuse of the Blue Badge scheme and to the reasons for the decision by the courts not to proceed with prosecutions and to the subsequent actions taken
- Arising out of the above, further information would be provided for Members on the number of blue badges in use. Information was also provided on the

way in which validity checks were made to ensure that such badges were still valid and being used correctly

- Good progress had been made on the checks undertaken in relation to small business and retail, hospitality and leisure grants but nearly 700 were left to check. In response to specific questioning the Head of Internal Audit, Anti-Fraud and Assurance gave a brief overview of how this work was undertaken

RESOLVED:

- (i) That the Annual Fraud report be received and the continued progress made in the development of effective arrangements and measures to minimise the risk of fraud and corruption be noted; and
- (ii) That the embedding of a culture of zero tolerance and high levels of awareness regarding fraud and corruption continue to be supported.

8. ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report on the progress made with the completion of the actions identified as part of the Annual Governance Review 2019/20 and confirming that any actions that remained outstanding would be included in the Annual Governance Statement Action Plan 2020/21.

The Annual Governance review process for 2019/20 had comprised a facilitated self-assessment with each Business Unit. The key outcomes of these assessments identified the strengths, areas for enhancement and areas for improvement and these later areas were included in a governance action plan which formed part of the Annual Governance Statement and was detailed within Appendix 1 to the report. Progress against the Action Plan had been regularly considered by this Committee with the last report being submitted to the March meeting when it was noted that the majority of the actions had been completed.

Outstanding Actions, which would be included in the 2020/21 AGS Action Plan (if they hadn't subsequently been completed at the time of publication), were outlined within Appendix 2 to this report.

Arising out of the discussion, reference was made to the training on phishing awareness which is was noted was mandatory for all employees and Elected Members.

RESOLVED that the progress being made against each item listed in the Annual Governance Statement Action Plan and the proposal to carry forward any outstanding actions to the Annual Governance Statement Action Plan 2020/21 be noted.

9. ANNUAL RISK MANAGEMENT REPORT

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report summarising the risk management activity over the last 12 months which contributed to the assurances the Committee required 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 report outlined the background to the change of approach to risk management, the findings of the Annual Governance Review 2019/20 which confirmed the change needed to the risk management approach and system, the development of the new Risk Management System and work planned for the remainder of the year. It was also noted that the new Strategic Risk Register had been considered by Cabinet this morning and this had also re started the process of bi-annual reviews of strategic risks by Cabinet.

As part of the wider remit of the Committee to receive presentations from Executive Directors and to be able to check and challenge them on strategic risks within their, Members received their first presentation from Wendy Lowder, Executive Director Adult Social Care and Communities on the risks associated with Community Cohesion and she made particular mention of the following:

- Why was Community Cohesion a strategic risk?
 - The potential Covid-19 related issues and legacy tensions
 - The potential impact of national asylum seeker accommodation which could be exacerbated by local hotel use
 - The potential lack of tolerance amongst the settled population which was exacerbated by increased tensions related to Brexit or other socio-economic pressures
 - Some risks could be outside the authority's control in which case the service tried to use its influence and build positive relationships to best effect
- How was the risk managed?
 - Predominantly via the Safer Barnsley Partnership including the Partnerships own Risk Register which was overseen by the Partnership Board
 - The Community Tolerance and Respect thematic Partnership Group and the refreshed leadership team that was looking at this theme
 - The development of the refreshed Community Tolerance and Respect Plan
 - The development of new Community Tolerance and Respect measures
- Examples of recent risk activity and risk mitigations included
 - The establishment of new Chairs for Community Tolerance and Respect
 - A refreshed membership of the Community Tolerance and Respect Group
 - A refreshed Community Tolerance and Respect Delivery Plan
 - The recruitment of Community Champions volunteers to reach into diverse communities
 - The continued challenge over Mears property acquisition on grounds of cohesion
 - The success in securing £127,000 from the MHCLG which was helping to build on the community engagement approach which involved working really closely with a whole variety of organisations and groups
 - One of the areas for more work included developing the intelligence picture for the area working in partnership with the Business Intelligence Unit

- The work of Area Councils and Ward Alliances was particularly valuable as it was through those community activities that were organised that enabled people together and where they could become more familiar with alternative cultures

In the ensuing discussion the following matters were highlighted:

- The Head of Internal Audit, Anti-Fraud and Assurance stated that the issues highlighted within the presentation today and how they were reflected within the new Risk Management Dashboard would be demonstrated at a future training/awareness session
- The Executive Director Adult Social Care and Communities commented on the advantages that the new risk arrangements brought which she felt was less onerous than the previous arrangements. It allowed the Senior Management Team and Business Units to have ownership of the risks within their particular areas
- In response to specific questioning the Executive Director Adult Social Care and Communities gave details of the background to the Mears property acquisitions and the challenges this brought.
- Arising out of the above and in response to specific questioning, reference was made to the way in which risks of community conflict were minimised within the wider community. Reference was made to the work with Migration Yorkshire and the dialogue with the Home office and with lead offices throughout the region to identify and tackle community cohesion issues. There was a need to build and foster relationships between all parties to ensure the best outcomes for all

RESOLVED:

- (i) That the report be noted, and the assurances given regarding the Councils governance arrangements be noted as part of the 2020/21 Annual Governance Statement process; and
- (ii) That Wendy Lowder, Executive Director Adult Social Care and Communities be thanked for her presentation, for attending the meeting and for answering Members questions.

10. EXTERNAL AUDIT - PROGRESS REPORT AND SECTOR UPDATE

Mr G Mills representing the Council's External Auditor (Grant Thornton) submitted a report giving details about their work as at 23rd April, 2021, outlining the Audit Deliverables together with a Sector Update summarising emerging national issues and developments.

The report had been circulated well in advance of the meeting in view of two key items that were of a potentially sensitive nature.

The first issue related to the proposed increase in audit fees for 2020/2. It was reported that because of the ongoing impact of the additional work required on significant risk areas of the audit such as the valuation of Property, Plant and Equipment as well as on Pensions, together with the new Value for Money Code and

the requirements of the revised International Standards on Accounting the proposed fee for 2020/21 was £180,218 compared to £144,718 in 2019/20. Whilst this was a significant increase on the PSAA scale fee of £104,718, it reflected the very different environment auditors were now working in compared to when the audit tender was bid for in 2017.

It was also pointed out that both the Redmond Review and the Ministry of Housing, Communities and Local Government (MHCLG) had recognised the need to increase audit fees and, in this context, £15m had been made available to local authorities to support the expected uplift in fees for 2020/21. Grant Thornton had 40% of the local authority market and the proposed increases across the sector equated to 40% of the funding made available to local authorities to cover the uplift. Whilst consultation was still ongoing in relation to the uplift fee, and the Section 151 Officer had responded to that, it was understood that the increase in fees for Barnsley for 2020/21 would be covered by the allocation from the £15m funding pot.

This matter had also been discussed with the Section 151 Officer and further details of the 2020/21 audit fee would be included within the Audit Plan to be submitted over the summer. It was not anticipated, however, that there would be a further uplift in the remaining three years of the current audit contract.

The second key issue related to the projected completion dates for the audit this year. The MHCLG had set an indicative date of 30th September, 2021 for audited local authority accounts (two months earlier than the previous year). Given the difficulties encountered within the audit 'market' in relation to local authority audits as well as the impact of the Covid pandemic (as reported in previous meetings) all of which had caused delays, Mr Mills believed that this target was unrealistic although he was fully supportive of this in a 'normal' year. In addition, it was also noted that the Council's Finance Team was also under considerable pressure to deal with the production of the annual accounts alongside other commitments as the deadline for this year was 31st July, 2021 (one month earlier than the previous year). Grant Thornton were, therefore, proposing to target completing their audit fieldwork on the accounts in October before dealing with completion tasks and targeting signing off in November.

It was accepted that the prospect of 'missing' the deadline was a new experience for Barnsley, and Mr Mills was keen to make it clear that this was absolutely Grant Thornton's call and not a reflection in any way of the Council's finance Team or the Council as a whole. Delivering a robust and high-quality audit was the priority and he did not believe pushing to hit an unrealistic deadline would support this. The indicative timetable detailed within the report was consistent with the message being given to other local authorities across the Grant Thornton client base.

Where an audit was ongoing after the statutory deadline all that was required was a short statement on the Council's website stating that the audit remained ongoing and that the Council was continuing to engage with the external auditor to complete their audit. There was no naming of authorities that missed the deadline and no financial penalty arising from it.

Mr Mills then briefly commented on the timetable for the revised Value for Money Audit which it was hoped would be discussed with the Senior Management Team before Christmas and by this Committee in January 2022.

The Service Director Finance (Section 151 Officer) understood the rationale and reasons behind the proposed increase in audit fees and, therefore, endorsed that increase. He was not, however, entirely happy with the proposed elongation of the audit process. He fully accepted Grant Thornton's position and the issues they were facing, however, there was a potential danger that the delay may be perceived by external organisations and members of the public as there being some kind of issue with the Council's accounts.

Mr Mills accepted these concerns which had been discussed with the Service Director prior to this meeting. He would ensure, however, that reference to this and the reasons for this were made clear within the Audit Plan and within the ISO 260 report. He reiterated that this was in no way a reflection on the Finance Team or the Council and he was just being realistic about what was deliverable within the timescales given the increased levels of documentation and quality required as well as the availability of staff to hit those deadlines. The report submitted to this meeting was similar to ones submitted (or to be submitted) to other authorities so it was clearly demonstrated that Barnsley was in the same position as all other authorities within the Grant Thornton client base and indeed with all other public sector auditors in the country.

The concerns and difficulties around local authority audits in 2020/21 and the general state of local authority market (as flagged within the Redmond Review) had been discussed at a recent Public Accounts Committee and details of that discussion could be provided.

There was a level of sympathy for the Council's position given that they too had shortened deadlines and increased work but were still going to meet the revised timescales. Questions were asked as to whether or not Private Companies would face similar situations or whether they would have their audits signed off on time. Mr Mills stated that we was not able to comment in detail given that he did not work within that sector, however, he understood that they had faced similar challenges and if the Audit Director/Partner was not in a position to deliver an audit by a particular timescale due to resourcing and the need for audit quality then they wouldn't do it and this was where Grant Thornton Public Sector Audit Team was coming from. The delivery of public sector audits by the deadline of 30th September was not achievable and these comments and concerns had been previously highlighted with the MHCLG who had not been in agreement to change the date. There would, therefore, be a large number of Councils and particularly single tier ones like Barnsley whose audits would be outstanding at the end of September and would be signed off some time between October and the end of November.

There was a discussion of the issues identified within the Redmond Report and the lack of availability of public sector auditors and it was noted that there may be a greater level of resource to deal with private/commercial sector audits.

In response to specific questioning the Service Director Finance stated that the change in the timetable would have little impact on the Finance Team as the intention was to comply with all the required timescales. As previously stated, his concerns were at how the delay would be perceived outside the Council by business and residents. Arising out of this reference was made to the profiling of the delivery of the

audit of local authorities by Grant Thornton given the finite level of resources that were available.

Mr Mills commented on the current position with regard to the recruitment of public sector auditors and to the difficulties being encountered due to the lack of local authority specialists.

RESOLVED:

- (i) That the External Audit progress report and Update be received;
- (ii) That the increase in audit fees be noted; and
- (iii) That this Committee reluctantly accepts the revised timetable for the signing off of the audit which in no way is a reflection on the Service Director Finance and his Team.

11. SICKNESS ABSENCE ANNUAL REPORT 2021/21

The Service Director Human Resources and Communications submitted a report outlining the Council's position with regard to sickness absence for the financial year 2020/21. It provided a comparison and summary for the financial year 2019/20 and an assurance of the mitigating actions and improvements that were in place or were being developed to reduce sickness absence levels and to support the health and wellbeing of employees.

The absence levels identified showed total days lost per employee of 7.77 days for 2020/21 (inclusive of days lost to Covid) compared to 7.98 in 2019/20 and that the target for the year was 6 days.

The report gave a comparison with councils across the region which indicated that apart from one other Council, Barnsley had the lowest number of days lost. In providing an analysis of the reasons for absence throughout the year, the report indicated that the main reason for absence was due to mental health including stress, anxiety and depression. In addition, information from the CIPD Health and Wellbeing at Work Report 2021 stated that the latest figures from the Office of National Statistics (ONS) had shown that Covid-19 had accounted for 14% of sickness absence since April 2020 but that whilst the pandemic had led to additional sickness absence, measures such as furloughing, social distancing, shielding and increased homeworking appeared to have helped reduce other causes of absence, allowing the general downward trend of previous years to continue.

The report also gave details of the number of days lost for the Yorkshire and Humber region for 2020/21, outlined the ways in which sickness absence was managed in Barnsley (utilising the Absence Reporting Dashboard that had been launched in August 2020), the use of Wellbeing initiatives and the work of the Wellbeing Stakeholder Group in identifying and implementing actions to support employee health and wellbeing.

It was noted that the Service had implemented a raft of measures to deal with sickness absence and to support employees and it was pleasing to report that the Authority had recently won the silver Wellness at Work Award and this gave an

assurance that the Service was performing well and that interventions were put in place as appropriate. The Service Director commented that the Service was never complacent and reported to SMT on a regular basis and examined all initiatives possible to bring the absence rates down.

In the ensuing discussion the following matters were highlighted:

- It was noted that the ONS website indicated that the average number of days lost per employee was 3.6 days and question were, therefore, asked as to why Barnsley's target was 6 days. The Service Director commented on the reasons for this. He stated that the Chartered Institute for Personnel Development benchmarking figure for local authorities was 8 days and the Barnsley target was below that. In addition, the target was being reviewed but had been challenging and the plateauing out of sickness levels over the last four years had demonstrated that Barnsley benchmarked really well with other authorities particularly in the Yorkshire and Humber region. The ONS figure was for the private sector which were very different organisations with different roles and sick pay schemes, and it was, therefore, difficult to compare between the two
- It was noted that the comparisons with other authorities gave details captured via the Yorkshire and Humberside regional group and whilst it would have been nice to receive information from other metropolitan councils, this information had not been available at the time of the preparation of the report
- In response to specific questioning, the Service Director outlined the action taken when an employee went off sick and he made particular reference to muscular skeletal injuries that had increased. The Service was checking to see if there were any particular issues behind this increase. It might, however, have arisen due to homeworking where people might not have been working as safely as they could have. Managers were targeted with ensuring that their staff were working correctly and had the appropriate equipment to do their jobs

RESOLVED that the report be received and Mr M Potter, Service Director Human Resources and Communications be thanked for attending the meeting and for answering Members questions.

12. PROPERTY AND ASSETS GOVERNANCE ANNUAL REPORT - PRESENTATION

Mr D Sturrock, Head of Property made a presentation on the way in which the Authority dealt with property. He felt that this presentation was quite pertinent given the recent revelations in relation to the way in which Liverpool City Council dealt with land and property. He also wanted to give the Committee an assurance that Barnsley's approach to property was well embedded prior to those revelations being highlighted.

The presentation covered the following key areas:

- Key areas

- Asset valuation – was all undertaken by RICS valuers who complied with Global Standards 2017 (Red Book Global Standards) and the RICS Valuation Global Standards 2017 - UK National Supplement
- Disposals – were based on the principles of Best Consideration Section 123 of the Local Government Act 1972
- Acquisitions – adopted a similar approach to the above. The authority had to demonstrate if there was a strategic need to acquire sites/properties and there had to be a best consideration with regard to that
- Asset Transactions – possibly the most contentious area. Any 'large' transactions would be submitted via Cabinet, but other transactional work would not.
- A Property and Asset Management Governance Group had been established on the 1st April 2021 to deal with sites and property issues
- Property and Asset Governance Group- aimed to provide clear unambiguous governance arrangements and appropriate controls to facilitate all land and property discussions
 - The Group was chaired by the Head of Property and comprised colleagues including the Strategic Finance Manager and the Head of Assets
 - Every single land and property transaction that the Council was about to undertake was discussed in detail at the Group and this allowed appropriate check and challenge. These decisions were documented and recorded, and this avoided any ambiguity or confusion at a later date. Matter discussed included
 - Rent reviews, Lease and Licence Renewals
 - Community Asset Transfers
 - Decisions to hold over
 - Concessions
 - Surrender Disposals
 - Strategic approach to negotiations
 - Funding Bids
 - Lease determination and forfeiture
 - FM – moves in/out
 - FM – works to buildings

In the ensuing discussion the following matters were highlighted:

- Reference was made to the Red Book valuations for land and buildings which included a Covid 19 uncertainty. It was understood that the RICS guidance had been amended and the blanket material uncertainty was not expected to be included this year. The Head of Property commented, however, that the market was still volatile, and it was likely that quite a few assumptions would have to be made for all valuations and these would have to be clearly stated
- The new requirement for all property transactions was that they would be discussed at the Property and Asset Governance Group and any transactions dealt with outside that process would be a clear breach of council procedure and would not be documented. The Head of Property could not think, however, of a situation where that would occur. The Service Director Finance reported that appropriate controls were in place to ensure that such actions did not occur

- There were certain extreme circumstances when the process could be shortened and, in these instances, an individual assessment would be made, however, the aim was to prevent this ever needing to happen. Any decision would, however, still be documented appropriately
- In response to specific questioning the Head of Internal Audit, Anti-Fraud and Assurance commented that every aspect of governance would feature in audit consideration. The Property and Asset Management Governance Group had been established with input from Internal Audit and the operation of that Group would feature in a future audit at an appropriate time

RESOLVED that the presentation be received and Mr D Sturrock, Head of Property, be thanked for attending the meeting and for answering members questions

13. AUDIT COMMITTEE WORK PLAN

The Committee received a report providing the indicative work plan for the period June 2021 to June 2022.

The Head of Internal Audit, Anti-Fraud and Assurance commented that Members would see more rigour to the Work Plan which now included a schedule for Strategic Risk Presentations from Executive Directors and details of training/awareness session to be held before meetings of the Committee

RESOLVED:

- (i) that the core work plan for meetings of the Audit Committee be approved and reviewed on a regular basis; and
- (ii) That meetings of the Audit and Governance Committee in July and September be held on Wednesday 28th July and 15th September, 2021.

14. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that the public and press be excluded from this meeting during the consideration of the following items 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. INTERNAL AUDIT PLAN 2021/22

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report prefacing the Internal Audit Plan for 2021/22 a copy of which was appended. The Plan had been revised following consultation with individual Directorate Management Teams to ensure that it was focused on priority areas and was aligned to the Internal Audit resources available for the remainder of the financial year.

It was noted that the Plan also incorporated advisory and assurance work directly related to Covid 19 (the Council's emergency response and also recovery and resilience).

Reference was made to the current and future staffing arrangements within Internal Audit and the Head of Internal Audit, Anti-Fraud and Assurance was confident that the Plan could be delivered.

RESOLVED:

- (i) That the Internal Audit Plan 2021/22 be approved, acknowledging the need for the Head of Internal Audit, Anti-Fraud and Assurance to exercise his judgement during the year to apply the Plan flexibly according to priority, risk and resources available; and
- (ii) That quarterly monitoring reports from the Head of Internal Audit, Anti-Fraud and Assurance continue to be submitted to demonstrate progress against the Plan including information where the Plan has materially varied from the original.

16. CORPORATE ANTI-FRAUD PLAN 2021/22

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report presenting the proposed Corporate Anti-Fraud Team Plan for 2021/22. The Plan aimed to focus resources primarily on the prevention of fraud but at the same time recognised the Team would have to undertake investigative work as appropriate.

RESOLVED:

- (i) That the Corporate Anti-Fraud Team (CAFT) Plan 2021/22 be 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 delivered to reactive investigation work as required;
- (ii) That regular monitoring reports from the Head of Internal Audit, Anti-Fraud and Assurance continue to be submitted to demonstrate progress against the Plan including information where the Plan has materially varied from the original; and
- (iii) That the embedding of a culture of zero tolerance and high levels of awareness regarding fraud and corruption be supported.

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Chair