

MEETING:	Audit and Governance Committee
DATE:	Wednesday, 19 January 2022
TIME:	4.00 pm
VENUE:	Council Chamber, Barnsley Town Hall

MINUTES

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

57. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

58. MINUTES

The minutes of the meeting held on the 17th November, were presented and arising therefrom one Independent Member referring to Minute 50 'Annual Governance Statement' commented that his concerns around how, in his opinion, issues had been articulated within the AGS and press release regarding the bank fraud had not been recorded.

The Monitoring Officer reminded Members that the minutes of the meeting were not intended to be a verbatim record. He acknowledged that there had been a full and frank discussion of this matter and appropriate action had been taken by the Council. The Annual Governance Statement had subsequently been amended accordingly and the matter had also been raised when the report had been presented to Council. In his opinion, therefore, this issue had been fully and satisfactorily addressed and the matter was now closed*.

Taking account of the comments now made, the minutes of the meeting held on the 17th November, 2021 were then taken as read and signed by the Chair as a correct record.

***it was later confirmed that, whilst not recorded in the manner requested by the Independent Member, reference had, nevertheless, been recorded within Minute 56 'Review of Accounts Payable/Payment Processing' about concerns raised in relation to the AGS.**

59. STRATEGIC CONCERNS/RISK REGISTER

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report reminding Members that at the meeting in March 2021 it had been agreed that the Committee have a regular opportunity for a 'deep dive' of some of the strategic risks with the appropriate Executive Director in attendance to update and assure the Committee on the management of their risks.

Members were further reminded that the Strategic Risk Register contained 16 risks of which 6 had been classified as high (red rating), 9 risks had been classified as medium (amber) and 1 had been classified as low (green).

The Senior Management Team had reviewed the previous 'risks' and had made a number of changes reflecting the change in circumstances. Three new risks/areas of strategic focus had been added as outlined in the Appendix to the report, namely, Organisational Resilience, Threat of Fraud and Zero Carbon, Climate and wider environmental commitments.

All strategic risks had a number of actions identified to minimise/mitigate the risks and all actions had review/completion dates, status updates, progress RAG ratings and identified owners.

The Executive Director Adults and Communities attended the meeting virtually to provide the Committee with a review of her two strategic risks namely:

- Potential for a safeguarding failure in Adult Social Care
- Meeting out statutory responsibilities under the Care Act 2014.

The Executive Director gave details of the background to these risks and to why they were included within the Strategic Risk Register. She gave a brief resume of the risk factors that underpinned the Strategic Risks and detailed the actions taken to track and manage risks making particular reference to the documents, plans and arrangements in place to support the service in managing those risks.

The actions associated with the two risks were included in Appendix 1 to the report and Appendix 2 provided a high-level summary of all other strategic risks which included the high-level risk description, risks impact status and response ratings.

In relation to the first risk the Executive Director outlined the factors underpinning this risk and then made reference to the various action points:

- The assurance regarding the suite of policies and procedures in place and which were regularly reviewed – reference was also made to the schedule of review that was in place
- The suite of metrics, indicators and data that existed to be able to monitor risks
- Staff workloads which were adequately monitored to ensure consistency and adherence to good practice
- Changes that had occurred in working arrangements due to Covid 19 which were fully assessed to ensure the continuity of service and that they remained effective
- The multi- agency arrangements that were in place, the steps taken to ensure that they were robust, adequately governed and effective and that the Safeguarding Board arrangements that gave oversight and which ensured that the arrangements were fit for purpose and regularly reviewed
- Staffing levels within the Council and Care Homes that were closely monitored and the options for monitoring Care Home absences that were being looked at within daily situation report meetings. If there was a breach of agreed levels within the contingency plan, mitigation measures would be recommended for consideration by managers and the appropriate governance forum
- Case studies within Social Care Teams were monitored on a daily basis. These would be broken down into safeguarding/non-safeguarding related casework. If teams were struggling with stacked cases, contingency

measures would be recommended for consideration by managers at appropriate governance forum

- The number of delayed discharges, the situation at the hospital and the number of unsecured packages of homecare were reported at the daily situation report meetings and at other forums

In response to specific questioning, the following matters were raised:

- An assurance was given that partnership arrangements were solid and were monitored on a regular basis. It was noted that strong and effective leadership was in place and had been strengthened particularly over the last few months. It had been reported that Barnsley had one of the strongest health and care partnership arrangements within the North East Yorkshire Region
- Whilst risks could not be eliminated in their entirety the Executive Director was confident that all steps necessary had been taken to minimise risk. Strong leadership was in place and an open culture was encouraged so that anyone who had concerns could raise them and have them addressed

The Executive Director Adults and Communities then made reference to the risk in relation to meeting responsibilities under the Care Act 2014. She outlined the factors underpinning this risk and then made reference to the various action points:

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- The way in which the service ensured issues, concerns and approaches were escalated, shared, and supported
- The collaboration arrangements with NHS providers in Barnsley alongside VSCE partners in order to use resources flexibly to meet need
- Influencing and lobbying to ensure appropriate lobbying regionally with the Chief Executive and Leaders Forum and with the North East Yorkshire NHS England/Improvement
- The managing of expectations and ensuring open dialogue and communication with individuals who received services, providers of services and carers
- The way in which data regarding future needs and demands was factored into the Medium Term Financial Strategy
- The assurances regarding the current and predicted status of Adult Social Care provision in the Borough
- The engagement with the market to explore options and build appropriate plans to address capacity and quality issues and concerns

In response to specific questioning, the following matters were raised:

- The Head of Internal Audit, Anti-Fraud and Assurance explained that the response rating reflected the degree of urgency and importance of the interventions and management rather than the inherent risk. He then gave details of when the risk ratings would change and the factors influencing this
- In relation to staffing in general and in relation to both risks, particular mention was made to the work of the Service Director Adult Social Care and Health and her Team as well as all Partners and other organisations who all contributed to the reduction and minimisation of risk

RESOLVED:

- (i) that the Risk Register and Strategic Concerns update be noted; and
- (ii) that Wendy Lowder, Executive Director Adults and Communities be thanked to attending the meeting and for answering Members questions.

60. APPOINTMENT OF EXTERNAL AUDITOR 2023/28 AND UPDATE ON MEASURES TO IMPROVE LOCAL AUDIT

The Executive Director Core Services and Section 151 Officer submitted a joint report updating Members on the available options for the procurement of external audit services for the 5 year financial years from 2023/24 to 2027/28 and appraising the Committee on measures introduced by the Government to improve the local audit process.

In the ensuing discussion particular reference was made to the following:

- The rationale for recommending Option 3 for appointing the External Auditor, a sector led scheme was discussed together with the plusses and minuses of the other options as outlined within the Appendix to the report. It was felt that the recommended option would not only be the most economic but was likely to be the best in terms of delivering a high-quality standard of audit
- There was a discussion of the importance of meeting statutory deadlines and the reasons why these had been missed in the previous year
- It was the intention that the Value for Money opinion would align back with the accounts opinion in future years
- In discussing the proposals to improve the local audit process, particular reference was made to the difficulties in appointing suitably qualified auditors to undertake public sector audits and of the steps being taken to try to address these issues

RECOMMENDED TO FULL COUNCIL:

- (i) That the options for the Council in respect of the routes available for the procurement of external audit services be noted;
- (ii) That the Council opt into the sector led scheme for appointing auditors as detailed within Option 3 outlined in the report
- (iii) That the Governments proposals to improve the local audit process be noted

61. LOCAL CODE OF CORPORATE GOVERNANCE

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report on the Local Code of Corporate Governance, a copy of which was detailed within Appendix 1, which had been substantially updated in 2020 and had been approved by this Committee in July, 2020.

The Code had been reviewed and, except for a few minor amendments to reflect the Board and Committee names, continued to reflect the corporate position.

The report, if accepted, would be referred to Cabinet for approval and would then be published on the Council's website.

RECOMMENDED TO CABINET that the Local Code of Corporate Governance as detailed within Appendix 1 to the report now submitted be approved and published on the Council's Website

62. ANNUAL GOVERNANCE REVIEW PROCESS

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report which was presented by Mrs A Salt (Corporate Governance and Assurance Manager) (who attended the meeting virtually) providing an update with regard to the Annual Governance Review (AGR) process that had been determined and used to influence and assist in the preparation of the Council's Statutory Annual Governance Statement for 2021/22.

It was noted that the Governance and Assurance Framework and the preparation of the AGS were key responsibilities of this Committee and the proposed timescales for the review process were outlined within the report. It had been assumed that the timescales for the publication of the Statutory Accounts in 2022 would follow a similar pattern to those in 2021 subject to any changes/impact which may occur due to the ongoing impact of the Covid 19 pandemic.

RESOLVED:

- (i) That the Annual Governance Review Process for 2021/22 be noted; and
- (ii) That further reports be submitted relating to the Review process for 2021/22 and on how the Review would be used to inform the development of the Annual Governance Statement.

63. EXTERNAL AUDIT PROGRESS REPORT UPDATE

Mr G Mills (representing the External Auditor) attended the meeting virtually and gave an update on the work in which he was involved. Particular reference was made to the following:

- The audit opinion had been issued on the 26th November, 2021 following the Council the previous day
- The audit had progressed within the revised timetable as previously reported and thanks were extended to the Service Director Finance and his Team for their commitment and engagement in the process
- The Teachers Pension Return had been completed in November, 2021
- The current focus of work was on the Housing Benefit audit which it was hoped would be concluded shortly
- Work was continuing on grants and receipts returns
- The work of Value for Money was due to be completed in February and it was hoped to present the findings to the meeting on the 31st March, 2022

RESOLVED that the report and update be received.

64. HEALTH AND SAFETY ANNUAL REPORT 2020/21

Mr S Dobby, Head of Corporate Health, Safety and Emergency Resilience, submitted his annual Health and Safety report for the period April 2020 to March 2021.

The detailed report indicated, amongst other things, that there had been further improvements in the Council's health and safety performance and also the implications of challenges faced in the delivery of these services and maintenance of this performance. He commented, however, that the year had been like no other and this had impacted on the performance data included within the report and, therefore, comparisons with previous years was not really possible.

The report gave details of the Health and Safety statistics with comparisons to the previous year, all of which were positive and had shown a decrease in the number of incidents. There were, however, some negative indicators in relation to an under-reporting of near miss accidents and presumed lower-level (and potentially all) incidents of violence and aggression.

The report also outlined areas for improvement and detailed the proposals for addressing them.

There had been no formal enforcement action by the Health and Safety Executive or the South Yorkshire Fire and Rescue Service and the Council had achieved the Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction for Occupational Safety and Health and the British Safety Council International Safety Award. In addition, in relation to the latter, the Council had also won the Sector Award for the public sector and defence.

In the ensuing discussion, the following matters were highlighted:

- In relation to specific questioning, Mr Dobby outlined the action taken to support staff mental health and well being
- It was noted that the responsibility for health and safety extended into people's homes when working from home. The action taken to support staff, including the provision of chairs and workstations, was outlined
- Information was provided about how 'near miss' accident comparisons were made and why it was thought that there might be an under-reporting
- The difficulties in making statistical comparisons with other authorities was outlined together with the reasons for this. It was noted that many Councils no longer provided their own risk management services and this made it increasingly difficult to compare with other authorities
- In relation to current performance, the Service was currently analysing quarter 3 statistics which indicated a continuing low trend in accidents with no reports to the Health and Safety Executive

RESOLVED that the report be received and Mr Simon Dobby, Head of Corporate Health, Safety and Emergency Resilience, be thanked for attending the meeting and for answering Members questions.

65. BUSINESS IMPROVEMENT, HUMAN RESOURCES AND COMMUNICATIONS UPDATE REPORT

The Service Director Business Improvement, Human Resources and Communications submitted a report giving an overview of the five functions and core purpose of the Business Improvement, Human Resources and Communications Business Unit and outlining the role it had in ensuring assurance against various elements of the Annual Governance Statement.

It was reported that the Service was currently in the process of reorganisation and, therefore, certain changes would be introduced from the 1st June, 2022

The report also provided an update regarding progress made against the assurance programme in the areas of Performance Management and Equality and Inclusion.

Mr Michael Potter, Service Director and Mr Phil Quinn, Head of Service HR and OD, outlined respectively the work and performance of the Business Improvement and Intelligence Service and the Equality and Inclusion Team in some detail. They gave details of the various plans, strategies and arrangements in place and then outlined how they contributed to the development and improvement of the performance of the Council.

In the ensuing discussion particular reference was made to the following:

- Reference was made to the Performance Indicators measuring whether suitable applicants were received from Black, Minority and Ethnic backgrounds. It was noted that there was no similar information in relation to gender. This information was picked up elsewhere, however, this would be included in future reports
- Information about gender pay differentials would be provided. It was thought that Barnsley would be similar to most other authorities
- Arising out of the above, reference was made to the gender comparators in relation to senior and middle managers. It was noted that there were currently more female Senior Managers but a higher percentage of male middle managers. Information on this could be provided

RESOLVED that the report be received, and Mr Michael Potter, Service Director Business Improvement, HR and Communications and Mr Phil Quinn, Head of Service HR and OD be thanked for attending the meeting and for answering Members questions.

66. LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN UPDATE REPORT

The Monitoring Officer submitted a report providing an update on the final requirements of the Local Government and Social Care Ombudsman following their report regarding a complaint.

Further to Minute No 24 of the meeting held on the 28th July, 2021, it was noted that the finding relating to a planning matter had been resolved, however, the Ombudsman had recommended that the Committee receive assurances more broadly regarding the Council's compliance with the Openness of Local Government Bodies Regulations 2014.

The report in outlining in detail how the Council fulfilled its statutory obligations in respect of these regulations as well as the Local Authorities (Executive Arrangements) (Meetings and Access to information) (England) Regulations 2012 indicated that the Council was also undertaking a review of its Constitution and Scheme of Delegation over the next few months. To this end, a working group had been established and its findings would be presented to this Committee for consideration and assurance purposes.

In addition to the above, an Internal Audit had been commissioned to look at how the Council complied with the statutory Local Government Transparency Code 2015 and associated LGA Guidance with regard to the publication of specified categories of data. The findings of this audit would also be presented to this Committee in due course.

The Local Government Ombudsman had been informed of the progress made and had been provided with a copy of this report.

In response to specific questioning the following responses were provided:

- The Working Group looking at the review of the Constitution and Scheme of Delegation would comprise a variety of officers. The Monitoring Officer would seek information as to whether or not Elected Members were to be involved in this process. He gave an assurance, however, that regular update reports on progress would be submitted
- The Head of Internal Audit, Anti-Fraud and Assurance stated that it was the intention that Internal Audit would be part of the Working Group and would provide an element of objective check and challenge. He then went on to give a brief summary of the work that would be involved with the audit of how the Council complied with the Local Government Transparency Code. An update on this would be provided as part of the usual Audit Update report

RESOLVED that the report be received, and the actions taken and planned to address the Ombudsman's recommendations be acknowledged.

67. AUDIT AND GOVERNANCE COMMITTEE WORK PLAN

The Committee received a report providing the indicative work plan for the period 2nd July 2021 to 1st June, 2022.

Arising out of the above, reference was made to the following:

- The recruitment to the vacant Independent Member positions on the Committee. It was noted that a further recruitment exercise was to be undertaken and there was a discussion of the best ways of securing good quality applicants
- A questionnaire seeking members views on the effectiveness of the Committee, on training requirements and on ways in which improvements could be made was to be sent out shortly. The results of this exercise would be used to inform the review of the operation of the Committee

- It was suggested that future reports give an indication of items that had been re scheduled together with the rationale for those changes
- It was also suggested that a future report on the Glassworks include an update on the position with regard to the Alhambra so that the Committee could have an up-to-date picture of the current position with regard to the Town Centre

RESOLVED that, noting the above suggestions, the core work plan for meetings of the Audit and Governance Committee be approved and reviewed on a regular basis.

68. EXCLUSION OF THE PUBLIC AND PRESS

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

69. INTERNAL AUDIT CONSULTATION PAPER FOR 2022/23

The Head of Internal Audit, Anti-Fraud and Assurance submitted a report outlining the annual audit planning process and consulting the Committee with regard to potential projects for inclusion in the draft Internal Audit Plan for 2022/21.

A key part of the process was to ensure sufficient overall coverage was provided across the Council to enable the Head of Service to give an annual opinion on the effectiveness of the Council's control, risk and governance arrangements. In addition, and where possible, capacity would be provided for advisory support to management. A detailed 5 year analysis of audit work was provided at Appendix A covering the work undertaken in 2019/20, 2020/21, the current year and possible work for 2022/23 and 2023/24 to assist in the consideration of possible areas for audit coverage.

In the ensuing discussion particular reference was made to the following:

- Various suggestions were made by Members as to other potential areas for inclusion. These would be investigated for possible inclusion and a further update would be provided
- There was a discussion of the way in which Value for Money audits were undertaken and of the differing role of both Internal and External Audit in this area
- The Head of Internal Audit, Anti-Fraud and Assurance briefly commented on the current position with regard to the filling of vacancies in his service following a review as part of a wider Core Directorate restructure. Arising out of this, reference was made to the ways in which vacancies were advertised and to the use of apprenticeships across the Council

RESOLVED:

- (i) That the report be noted;

- (ii) That, in addition to the suggestions now put forward, Members of the Committee pass any further nominations for inclusion in the 2022/23 Internal Audit Plan through the Chair for notification to Internal Audit or, alternatively, for them to be passed directly to the Head of Internal Audit, Anti-Fraud and Assurance;
- (iii) That the Committee is satisfied that the planning process is sufficiently robust that it will determine a value-adding Audit Plan, informed by risk and through consultation with appropriate senior management; and
- (iv) That the professional responsibility of the Head of Internal Audit, Anti-Fraud and Assurance to ultimately determine the Plan of audit work be acknowledged.

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Chair