

Bromsgrove District Council



Audit, Standards and
Governance Committee

ANNUAL REPORT

2019 / 2020



Bromsgrove
District Council

www.bromsgrove.gov.uk

FOREWORD

I am pleased to introduce the Audit, Standards and Governance Committee's 2019/20 Annual Report. It records the continued progress in strengthening and developing the role of the Committee in providing an independent assessment of the wide range of controls and corporate governance.

This report reflects the wide work programme incorporated within this committee's work and illustrates the breadth of areas into which the committee is seeking to ensure transparency, compliance and value for money. The report demonstrates the importance to both the council and the public in ensuring that improvements to the governance of the council are being delivered and sustained.

There has been progress in the operation of the audit assurance responsibilities of the Committee. Members have sought to take a more proactive approach to concerns raised through our internal audit function, especially around limited assurance audits and to overdue audit actions. For example, members sought added assurance from key personnel, following a limited assurance audit into the council's Health and Safety arrangements.

This year has seen an extended role for the Audit, Governance and Standards Committee. For the first time, the Audit, Standards and Governance Committee were able to approve the Audit Findings and Statement of Accounts. The accounts were approved, following a delegation from council, at the July meeting of the committee.

I would wish to give particular thanks to Councillor Van Der Plank for her contribution as Member Risk Champion. As is detailed in this report Councillor Van Der Plank has been visiting Heads of Service regarding risks associated with their service area. Councillor Van Der Plank's work has also supported discussions around emergency planning and response. My thanks on behalf of the committee for all the work Councillor Van Der Plank is putting into the Risk Champion role.

I would like to thank the 151 Officer, Monitoring Officer, our Internal and External auditors, Democratic Services and all the members of the committee for their hard work over the last year and for the continued progress that is being made as a result. I believe that the Audit, Standards and Governance Committee provide a valuable contribution to the development of standards and protocols across the Council's governance in an effective and compliant way.

Chairman

Councillor Luke Mallett

MEMBERSHIP



Luke Mallett (Chairman)



Peter Whittaker (Vice Chairman)



Sue Baxter



Andrew Beaumont



Sarah Hession



Janet King
Plank



Adrian Kriss



Caroline Spencer



Kate Van Der

INTRODUCTION

This report provides an overview of the Audit, Standards and Governance Committee's activities during the municipal year 2019/20.

The ultimate responsibility for Audit rests with the Portfolio Holder with responsibility for Finance and the Section 151 Officer. The Portfolio Holder is expected to attend each meeting in line with the Constitution.

During the year the Committee has considered reports on the following subjects:

- Monitoring Officers Report – which details complaints and training which has taken place during the period between meetings.
- Dispensation Reports
- Updates from the external auditors, Grant Thornton in respect of their work.
- Updates on the work of the Internal Audit Team.
- Quarterly Financial Savings Monitoring Update Reports.
- Accounting Standards (Statement of Accounting Policies)
- Corporate Risk Register
- Risk Management Strategy
- The Risk Champion's Update Report.
- Statement of Accounts.
- Regulation Of Investigatory Powers Act 2000 (RIPA) Report
- Health and Safety

Further information about some of the key responsibilities of the Committee are outlined in detail within this report.

THE ROLE OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Scope and Responsibility

The Audit, Standards and Governance Committee provides independent assurance to the Council in respect of:

- The effectiveness of the Council's governance arrangements
- The Annual Governance Statement
- The Review of the Annual Statement of Accounts
- Risk Management Framework and strategies
- The effectiveness of the Council's financial and non-financial performance
- Anti-Fraud arrangements
- Whistle-blowing strategies
- Internal and external audit activity
- Democratic governance

The Committee is also responsible for the Council's Standards Regime which covers both District and Parish Councils. Areas encompassed within the Standards Regime include:

- Promoting High Standards of Conduct by Councillors and co-opted members of Council bodies.
- Assisting Councillors and co-opted members to observe the Members' Code of Conduct.
- Advising and training Members and co-opted members in respect of the Code of Conduct.
- Formulating advice to members and officers in declarations of gifts and hospitality.
- Granting dispensations to Councillors and co-opted members from requirements relating to interests as set out in the Code of Conduct.
- Considering reports from the Monitoring Officer following investigation into a complaint about elected Members.

Meetings of the Board

The Council's constitution requires the Audit, Standards and Governance Committee to hold quarterly meetings. During the municipal year 2019/20 meetings were held in July and October 2019 and January and March 2020. The Audit, Standards and Governance Committee work programme was reviewed at each meeting with items included as and when considered and agreed by the Committee.

STANDARDS REGIME

There are two main areas which are considered regularly in terms of the Committee's responsibility for Standards.

Monitoring Officer's Report

This covers Member Training, Member Complaints and Parish Council matters.

This municipal year Committee Members had attended several training events spread out over the year. This allowed new Members the opportunity to settle in without being inundated with events and meetings.

The following training events were attended by Members:

- Phased Induction Programme for New Members
- Data Protection/GDPR
- Safeguarding Events
- Code of Conduct Sessions

Training sessions were also arranged for Members who were appointed to specific committees, this included Planning and Licensing.

The Constitution Review Working Group continued to review behaviours at meetings, supplementary questions and regularly reviewed the scheme of delegations. Recently the group had discussed the timings for submission of both questions and notices of motion. These discussions had lead to a number of reports being presented to Council which made a number of changes to the Council's Constitution to aid the smooth running of the democratic process.

Dispensation Report

At the start of the year the Committee granted a number of Members' dispensations to discuss matters in which they had an interest. Dispensations, all of which require the advance approval of the Committee and a subsequent written request from the Member to the Monitoring Officer, currently fall within the following categories:

- (i) General Dispensations
- (ii) Council Tax Arrears
- (iii) Individual Member Dispensations
- (iv) Outside Body Appointment Dispensations

Parish Council Involvement

The Parish Council representative is able to add any item on to the agenda as required and this is highlighted within the Monitoring Officer's Report. Whilst the Parish Councils have the opportunity to appoint two representatives on the Committee, as has happened in previous years, only one of these places was taken up this year.

Investigations and Enquiries

There have been three parish council complaints this year, all of which have now been resolved.

There have been a number of complaints at District Level in relation to social media, which have been managed locally.

There have been no investigations about Members which required a Hearings Sub-Committee to be convened.

The appointed Independent Person has continued to support the Monitoring Officer where necessary and has attended a number of Council meetings throughout this municipal year.

INTERNAL AUDIT REPORT

During the year the Committee has continued to receive updates on the work of the Internal Audit team including details of the following completed audit reports:

- Internal Audit - Annual Report 2018 – 19
- Internal Audit - Progress Report
- Internal Audit – Draft Audit Plan 2019/20
- Internal Audit Progress Monitoring Report
- Internal Audit Plan 2020 - 2021

EXTERNAL AUDITORS

During the year the Committee received reports from the current External Auditors, Grant Thornton on the following subjects:

- Grant Thornton (External Audit) Audit Fee Letter 2019/20
- Grant Thornton Annual Audit Letter 2018/2019
- Grant Thornton External Audit - Audit Findings Report
- Grant Thornton - Progress Report 2018/19
- Grant Thornton - Housing Benefit Report 2019/2019

The Progress Reports were considered at each meeting of the Committee and covered a range of issues including the following:

- Value for money
- Significant Risks
- The Changing Face of Corporate Reporting
- Financial Statements
- Housing Benefits

STATEMENT OF ACCOUNTS – 2018/19

This year, for the first time, the Audit, Standards and Governance Committee were able to approve the Audit Findings and Statement of Accounts. This was following a delegation made to the Committee at the Council meeting held on 24th July 2019.

The Audit, Standards and Governance Committee, considered and approved the Statement of Accounts at its meeting in July 2019.

This was the fourth year that the Committee had considered the Audit Findings and Statement of Accounts. The Statement of Accounts were approved by the Executive Director of Finance and Resources by 30th May 2019 and submitted to the External Auditors Grant Thornton on the same day.

During the presentation a number of areas were highlighted within the covering report, which the Financial Services Manager discussed with Members, including:

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement
- The Cash Flow Statement
- The Collection Fund

The Executive Director, Finance and Resources asked for a delegation to be included within the recommendations to allow for any last minute changes to be made in consultation with the Vice Chairman of the Committee for approval. This recommendation was agreed.

In addition to the Statement of Accounts the Committee were also presented with quarterly Financial Savings reports over the course of the Municipal year.

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) – 18 JULY 2019

Members were presented with a report that explained the powers that were available under the Regulation of Investigatory Powers Act 2000 (RIPA) and that a refresh of the Council's policy had recently been carried out.

CODE OF CONDUCT - UPDATE REPORT – 10 OCTOBER 2019

The Committee were asked to consider a report on Standards in Public Life (CSPL) into Local Government Ethical Standards.

The CSPL had concluded that high standards of conduct in local government were needed to protect the integrity of decision-making, maintain public confidence and safeguard local democracy.

Members of the Committee requested that the following changes recommended to the Constitution Review Working Group meeting,

- That the 'Gifts and Hospitality' threshold be reduced to £15;
- That 'Trolling' be included under 'Bullying and Harassment'.

These recommendations were agreed by the Group and by Council.

BENEFITS AND COMPLIANCE UPDATE REPORT 2019/2019 – 10 OCTOBER 2019

The Benefits and Compliance Update Report 2019/2019 report detailed the savings delivered for the first quarter against those identified in the Medium Term Financial Plan (MTFP).

External Auditors, Grant Thornton, had recommended that the delivery of savings be monitored closely to ensure that the Council was meeting savings in the way that was expected when the budget was set. Members were reassured that this was the case and that business critical staff vacancies would continue to be filled going forward.

RISK MANAGEMENT REVIEW – 10 OCTOBER 2019

Members were presented with a Risk Management Review report with for their consideration The review found that there was not a consistent approach to robust risk management processes across the Council..

The report highlighted the following findings from Zurich:

- Improve the link between performance and risk by developing the role of the Cabinet and Portfolio Holders within the Risk Management framework
- Provide greater direct support to Departmental management teams to build a robust risk profile and support the embedding of effective risk management practices.
- Improve the level of risk management capability and awareness across Member and Officer groups.

The outcomes of the review were that the risk management group was re-established and an action plan to address the recommendations was developed and

would be presented to future meetings of the Committee. In addition to this, training had been agreed with Zurich and was due to be delivered to managers in October 2019.

RISK CHAMPION - COUNCILLOR VAN DER PLANK

The Chairman requested that a volunteer from the Committee act as the Risk Management Champion for the remainder of this Municipal Year. Councillor Van der Plank volunteered and resolved to provide the Committee with a verbal update at each meeting going forward.

The updates provided included information regarding Emergency Planning and the Business Continuity Response Plan. Councillor Van Der Plank visited Heads of Service regarding risks associated with their service area. There were also detailed discussions at several meetings regarding the risk of Brexit and the actions that were being undertaken in order to mitigate risks associated with it.

HEALTH AND SAFETY AUDIT – 30 JANUARY 2020

The Senior Health and Safety Advisor was welcomed to this meeting to discuss the findings of the Final Internal Audit Report, Health and Safety (H & S) 2018/19 and reassure Members that Health and Safety was given a high priority at the Council.

There was detailed discussion including a Health and Safety manuals refresh and training for Council staff. Members were reassured Members an annual cycle of policy renewal would now take place and fire risks would be carried out every 6 months.

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