

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

**21ST JANUARY 2021, AT 6.00 P.M.**

PRESENT: Councillors L. C. R. Mallett (Chairman), P. J. Whittaker (Vice-Chairman), A. J. B. Beaumont, R. E. Jenkins, J. E. King, A. D. Kriss, M. Middleton and K. J. Van Der Plank

Observers: Councillor G. N. Denaro– Portfolio Holder for Finance and Enabling.

In attendance: Neil Preece and Jackson Murray – Grant Thornton

Officers: Mr. K. Dicks, Mr. A. Bromage, Mr C. Forrester and Ms. C. Flanagan, Mrs. J Gresham and Ms. K. Somers.

35/20

**APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillor C. Spencer and Mr. J. Cypher.

The Chairman noted the change of Committee membership, as agreed at the Council meeting held on 20<sup>th</sup> January 2021 and took the opportunity to thank Councillor S. Baxter and Councillor S. Hession for their contribution to the Committee. He also welcomed Councillor R. Jenkins and Councillor M. Middleton as new members.

36/20

**DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest nor of any whipping arrangements.

37/20

**TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 24TH NOVEMBER 2020**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 24<sup>th</sup> November 2020 were submitted.

Councillor P. Whittaker queried what the exact date would be for consideration of the item in respect of the Tree Protection Orders

(TPOs) at full Council. The previous minutes stated that the item would be due for consideration at a full Council meeting in early 2021. The Democratic Officer present undertook to find out and report back to Members in due course.

**RESOLVED that** the minutes of the Audit, Standards and Governance Committee meeting held on 24<sup>th</sup> November 2020 be approved as a correct record.

38/20

### **STANDARDS REGIME - MONITORING OFFICERS' REPORT**

The Principal Solicitor presented the report which covered activity since the last meeting. It was reported that there were currently two outstanding complaints, one at Parish and one at District level. It was reported that these complaints were being dealt with by the Monitoring Officer and details would be reported back in due course.

Members were advised that the Model Code of Conduct had recently been published. The Principal Solicitor advised Members that a report would be brought before Members at the next Committee meeting for comment. It was confirmed to Members that there was a countywide Model Code of Conduct but that that tweaks could be made at a local level, if required.

The Chairman queried whether arrangements had been confirmed regarding Local Government meetings during the continuation of the pandemic. Officers advised that there had been no further updates in respect of this and it was confirmed that Members would be informed once any further information had been received.

**RESOLVED that** the Monitoring Officers' Report be noted.

39/20

### **GRANT THORNTON - INTERIM AUDIT FINDINGS REPORT**

The Engagement Lead, Grant Thornton presented the Grant Thornton Interim Audit Findings Report and in doing so highlighted the following to Members:

- It had been hoped that the final version of the Audit would be presented at the meeting, however there had been a delay and items were still outstanding for the Audit and that this was an interim report. It was confirmed that this meant that there was still further work to be carried before an Audit opinion could be provided. The remaining work had been identified and regular

meetings were taking place with relevant officers and extra resource had been provided from both Grant Thornton and the Council in order to satisfactorily complete the Audit as soon as possible. Grant Thornton were pleased with the amount of work and support received from officers who had participated in the Audit.

- The Value for Money conclusion was reported to Members who were advised that the Council was in a good financial position but that it was important to still be cautious in the future. It was noted that there were potential longer-term gaps that needed to be monitored closely and that the use of financial reserves was not sustainable in the long term. Members were advised that the impact of Covid-19 was still unknown, and challenges were still being faced and it was important that savings in priority and non-priority areas were identified for the future. It was proposed that an unqualified Value for Money opinion would be offered for the financial year 2019-2020.

The Chairman invited the Head of Finance and Customer Services to comment on the report and in doing so thanked Grant Thornton for all of their work and additional resources that had been provided.

Some Members were concerned that officers had not been able to provide floor areas in order to provide an accurate valuation for land and buildings. It was clarified that the external valuers that had been procured to carry out work in this area had been exceptional and were undertaking a further project using software to provide floor areas of all Council land and buildings. It was confirmed that this was information that had not been required as part of the Audit in previous years and was part of the increased audit expectations. Members were assured that this work was being prioritised to ensure that the same issues would not be encountered in future years. The Engagement Lead, Grant Thornton advised the Committee that this request for additional information driven by the increased audit expectations could possibly impact the fees charged for the Audit.

The Engagement Lead, Grant Thornton explained to Members that the requirements for Value for Money were set out by the National Audit Office and considered the arrangements that were in place to ensure Value for Money and that individual contracts or Democratic decisions would not need to be specifically considered unless it was a key contract for the Council that perhaps had not delivered what was expected. As part of the Audit, the Medium-Term Financial Plan was considered by

Grant Thornton and items within plan were looked at to test the robustness of the information contained within it.

There was detailed discussion regarding the financial systems that were currently in place that provided information for the Audit. It was reported to Members that these systems were archaic, cumbersome and slowed down access of information for reporting. The Head of Finance and Customer Services highlighted that the systems were a risk to the Council due to the large number of manual inputting of information that needed to be carried out. This increased the risks of mistakes being made and potential fraud being carried out. Officers informed the Committee that the implementation of the Enterprise Resource Planning system (ERP) was due to take place in February 2021 and would hopefully eradicate much of the risk linked to the previous manual systems. Members were reassured that the ERP system had been tested and would improve efficiency of the audit process and financial transactions for future years.

It was further questioned whether some of the quality of work carried out by officers needed improvement and whether enough training was being provided to ensure that officers were competent and had the required amount of training to carry out their roles. The Head of Finance and Customer Services acknowledged that some of the information provided to Grant Thornton was not of the quality that was expected or needed. He confirmed that training was being provided on the new ERP system and this would improve the quality of working papers going forward. Members were advised however, that as this was an entirely new system there could be some initial issues that might need to be resolved over the first few months after implementation.

The Chief Executive thanked the Head of Finance and Customer Services and his team for all of the work and progress that had been made. He reported to the Committee that the new Executive Director was due to start working at the Council on 1<sup>st</sup> March 2021 and one of their key priorities was to ensure that there were firm financial foundations, including skills and capacity, for future audits. It was confirmed that Grant Thornton were happy with the implementation of the new ERP system and confirmed that many organisations already used this or similar systems.

The Chairman thanked the officers and Grant Thornton for all of their work in a challenging environment.

**RESOLVED that** the Grant Thornton - Interim Audit Findings Report be noted.

40/20

### **INTERNAL AUDIT MONITORING REPORT**

The Head of the Worcestershire Internal Audit Shared Service presented the Internal Audit Monitoring Report to Members and explained that this was the regular update report that was presented to the Committee and summarised the reviews and progress made in respect of the Audit Plan since the last Committee meeting.

During the presentation the following was highlighted for Members' attention:

- Since the last meeting the Markets Audit had been finalised and the Agency and Consultants Audit had been presented to the Corporate Management Team. In addition to this, a further four reports had been reviewed and two had been cleared. This was evidence of the continued progress being made. It was noted that a High Priority recommendation had been reported as part of the Markets Audit and further information was to be provided imminently from officers to update whether the recommendation had been satisfied.
- The Compliments and Complaints Audit had been undertaken, and it was reported that the progress so far had been good. The Head of the Worcestershire Internal Audit Shared Service advised that further updates for this Audit would be provided to the Committee in due course. Any audits that had not been undertaken would be rolled forward to the new Internal Audit Plan which was due to come before the Committee in March 2021.
- The Audit Improvement Plan continued to be implemented and indicated the development with the Internal Audit Shared Service.
- The Internal Audit Plan had to be flexible during the previous 12 months, due to Covid-19. However, the number of audit days were progressing, and reporting was on track. It was clarified to Members that resource was balanced across the Shared Service and adjustments were made accordingly when billing for Q4.
- In respect of the National Fraud Initiative, the deadline at the end of December 2020 had been met and that the uploading of information for Single Person Benefits and Elections was due at the end of January 2021.

**RESOLVED** that the Internal Audit Monitoring Report be noted.

41/20

**BENEFITS AND COMPLIANCE UPDATE**

The Head of Finance and Customer Services provided the update in respect of Benefits and Compliance. Members were informed that there was a Compliance Team that carried out the following investigation work:

- Investigation of Council Tax Support claims
- Verification of HB claims
- Processing of Housing Benefit Matching Service (HBMS) referrals
- National Fraud Initiative (NFI) data matching
- Police requests for information / liaison
- Support to DWP in respect of Housing Benefit fraud cases

It was reported that the team had recovered £2.1million during the previous year. However, it was noted that not all of the funds would be received back directly to Bromsgrove District Council. Members were advised that a project was being undertaken to investigate the Council Tax discounts received by residents and it was hoped that this would provide an income stream in the future.

**RESOLVED** that the Benefits and Compliance Update be noted.

42/20

**RISK REGISTER UPDATE - VERBAL UPDATE**

The Head of Finance and Customer Services provided a verbal update regarding the Risk Register. In doing so, it was reported that there had not been significant changes since the previous meeting of the Committee. It was clarified that the arrangements for leaving the European Union had been agreed since the last meeting of the Committee and the Risk Register updated accordingly. Officers advised that plans were being implemented to provide support to any businesses and residents who might be affected by the new arrangements.

**RESOLVED** that the Risk Register Update be noted.

43/20

**RISK CHAMPION - VERBAL UPDATE REPORT (COUNCILLOR K. VAN DER PLANK)**

Councillor K. Van der Plank, as the Committee's Risk Champion, presented her most recent report regarding the Outcome of Motions & Written Questions that had been brought to Full Council meetings during the previous 12 months.

It was clarified by Councillor. K. Van Der Plank that it was not a formal audit and was undertaken to give a quick insight in an area that Members may be unfamiliar with.

It was observed during the preparation of the report that there was some confusion regarding the responsibility of following-up on Motions and Questions and it was clarified that it was the responsibility of the Member who brought the Motion or Question to follow up on the outcome and any associated actions.

Councillor K. Van Der Plank outlined her plan for the next meeting of the Committee and hoped to provide a summary of her role as Risk Champion over the previous two years in readiness for the next Risk Champion.

The Chairman thanked Councillor K. Van Der Plank for all of her work in the role of Risk Champion and that the work she had undertaken was invaluable and had been expertly carried out.

The Democratic Services Officer clarified that the written report that had been circulated by Councillor K. Van Der Plank prior to the meeting would be provided as an appendix to the minutes of this meeting.

**RESOLVED that** the Risk Champion update be noted.

44/20

**AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME**

The Democratic Services Officer undertook to update the work programme to ensure that all items were considered at the appropriate time and to provide an amended version at the next meeting of the Committee.

**RESOLVED that** the Committee work programme be noted.

The meeting closed at 7.20pm

Chairman

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## **Risk Champion Report Jan 2021: Outcome of Motions & Written Questions**

### **Topic:**

What is the outcome of motions and questions Councillors bring to full Council? How is this tracked and monitored and who is responsible for ensuring agreed actions are followed up?

### **Purpose of this report**

Reminder – This isn't a formal audit. The purpose of this report is to give a quick insight into an area of the council that members may not be familiar with or that may be of interest in exploring further, as it may have some level of risk or governance requirement. As such, its subjective in its nature, and any observations or recommendations are a suggestion to consider, not a formal mandate.

### **Introduction**

In this report I wanted to explore what happens to questions and motions raised by members. Are agreed actions followed up, and by whom? The report contains a summary of all questions and motions that have been raised over the last 12 months and also some observations about ways of working.

Key findings:

- There may be some confusion about who is responsible for following up actions from questions or motions. There is no process within Democratic services where actions from motions and questions are audited or followed up. The Dem services team minute decisions and responses to questions, and refer things to relevant committees where required, but once this has been done and the minutes published, their involvement ends. It's the responsibility of councillors to make sure activities are carried out. For example, if a recommendation in a motion was to refer something to O&S or Cabinet etc, it is the responsibility of Councillors to follow that up. Similarly, in regard to questions, it's the responsibility of the councillor to go back to the leader or portfolio holder etc if any follow up is required (eg if they don't get a written response that was promised or have further questions).
- The table below is a summary of all motions and questions over the last 12 months, the specific action that was agreed and the current status. Pulling this together was a one-off piece of work and extremely time consuming so is not something Democratic Services could do on an ongoing basis, however, now that we have an up to date status report, this may be something individual groups want to manage themselves and keep updated

### **Recommendations/ Suggestions:**

- Members of this Audit & Standards committee could:
  - Share the table below with their group and if the group choose, keep it updated themselves
  - Review actions that have been agreed and follow up any that are outstanding for their group

- Ensure the process is understood in their group by explaining that it is the responsibility of Councillors to follow up on actions direct with the Leader / relevant Portfolio Holder etc. not to go back to Democratic Services to chase responses or follow up.

## Summary of Motions and Questions – Last 12 months

<b>Motions: All motions, last 12 months</b>			
<i>Date</i>	<i>Subject of motion</i>	<i>Response and any Specific actions agreed</i>	<i>Status of actions (eg completed? Partially completed? still outstanding?)</i>
02/12/20	Cllr Hunter - Fireworks	Referred to O&S	On the agenda for O&S on 11/1/21
	Cllr McDonald – Travel Claims	Referred to O&S	On the agenda for O&S on 11/1/21
	Cllr Thompson – IHRA Definition of Antisemitism	Motion Carried	NFA
	Cllr Hotham – Planning Enforcement	Withdrawn	
	Cllr Rone-Clarke – Parking around schools	Withdrawn	
21/10/20	Cllr McDonald – Low income families and fuel costs. Write to the Government.	Agreed that Leader would write as requested and keep Council updated with any response.	Responsibility of this would rest with the Leader and Cllr McDonald to chase up to see if she has done it.
	Cllr Rone-Clarke – Introduction of a Bromsgrove Cash Card	Matter referred to the Town Centres Manager, who will contact Cllr Rone-Clarke.	NFA Cllr Rone-Clarke is in touch with the Town Centres Manager.
	Cllr Hunter – void properties	Referred to the Finance & Budget Working Group	Cllr Hunter has attended a meeting of the Finance & Budget Working Group and discussions are ongoing.
	Cllr Colella – Government White Paper and suspending greenbelt review.	Motion lost	NFA
16/09/20	Cllr Colella – trees for life	Agreed to refer to Cabinet.	Referred to relevant officers who are liaising with the Leader/Cabinet member. Cllr Colella will be advised of progress. If he is unhappy with the timescale he can follow up with Leader/Cabinet member.
	Cllr Hotham – Shopper/shuttle minibus services.	Agreed to refer to Cabinet.	Referred to relevant officers who are liaising with the Leader/Cabinet member. Cllr Hotham will be advised of progress. If he is unhappy with the timescale he can follow up with Leader/Cabinet member.
05/08/20	First meeting of Council for the 2020/21 Municipal year and first full Council meeting		

	held remotely. It was therefore agreed between the Group Leaders that there would be motions, only questions, with the options for a supplementary question to be asked.		
<b>Questions: All written questions submitted and responded to, last 12 months</b>			
<i>Date</i>	<i>Subject of question</i>	<i>Response and any Specific actions agreed</i>	<i>Status of actions (eg completed? Partially completed? still outstanding?)</i>
02/12/20	Councillor King – real living wage.	No specific action. Leader offered to provide papers she referred to in her response if Cllr King wanted them.	Up to Cllr King to request info if she wants it.
	Cllr Hunter – Write to Secretary of State re Towns Funding.	Leader advised she would not be writing at this stage.	NFA
	Cllr Hotham – Road Sweeping collection rates.	Detailed response provided by the Portfolio Holder.	NFA
	Cllr McDonald – Leader to write to the Chancellor re low paid workers.	Leader provided info and said would not be writing to Chancellor.	NFA
	Cllr Till – Council’s commitment to active travel.	Detailed response given from the Portfolio Holder	NFA
21/10.20	Cllr Hunter – Car Parking Cashless payments	Leader provided detailed response.	NFA
	Cllr McDonald – Cost of travelling expenses compared to previous year.	Detailed response provided.	NFA
	Cllr Colella – Position re updates on Outside Bodies	Detailed response from Leader given and advised that records were kept.	NFA Up to Cllr Colella to contact the relevant officer to view the updates should he want to.
16/09/20	Cllr Van der Plank – cutting down of trees.	Response from Portfolio Holder and suggestion that if further info provided by Cllr Van der Plank would look into matter further.	NFA Up to Cllr Van der Plank to contact Portfolio Holder as detailed in the minutes.
	Cllr Hotham – Final cost of Bird Box	Response provided.	NFA
	Cllr King – Protecting Green Belt	Portfolio Holder provided a response.	NFA
	Cllr Hunter – reopening high streets funding spent.	Detailed response provided.	NFA
	Cllr Robinson (nee Hughes) – no limit of climate change ambition.	Response provided by the Leader.	NFA
	Cllr McDonald – Leader to write to Government in respect of rent evictions.	Detailed response provided – not necessary to send a letter.	NFA
	Cllr Robinson (nee Hughes) – update on support given to the Artrix Holding Trust.	Response provided from the Leader.	NFA
	Cllr Van der Plank – progress update following fly tipping motion from Sept 2019.	Response from the Portfolio Holder – who agreed to provided exact dates in	Responsibility of the Portfolio Holder to action and for Cllr Van der Plank to chase up if information not received.

		respect of the areas he had covered.	
	Cllr King – funding for bus service to replace the 202.	Details provided by the Portfolio Holder.	NFA
	Cllr Douglas – Artrix Holding Trust future operator.	Response provided by the Leader.	NFA
	Cllr McDonald – Rubery Festival funding and support.	The Leader responded and would ask a member of the Arts Development Team to contact the Rubery Festival committee.	Leader to arrange Arts Development Team to contact. If this doesn't happen Cllr McDonald could follow up.
	Cllr McDonald – Artrix Holding Trust to keep Council updated.	Leader responded.	NFA
05/08/20	Cllr Hunter - Shortfall in Council's budget following Government grants received re Covid-19.	Cllr Denaro as Portfolio Holder for Finance responded.	Cllr Denaro asked Cllr Hunter to send him specific details of cases referred to – responsibility lies with Cllrs Hunter and Denaro to do this.
	Cllr King – Cuts to bus services and impact on residents and the Council's strategic purposes.	Leader responded – if Cllr King was not happy with the response, she could take it up with the Leader outside of the meeting.	MFA
	Cllr Robinson (nee Hughes) – Culture Grants from Government and whether these were being applied for on behalf of venues in Bromsgrove.	Cllr Thomas provided details of the areas covered by the grants and the work the Council was doing.	Cllr Robinson agreed to write to Cllr Thomas outside of the meeting I respect of the other points. It would be the responsibility of Cllr Robinson to follow this up.
	Cllr Rone-Clarke – response and preparations in place for a second spike of Covid-19.	Detailed response provided by the Leader.	NFA

**Questions/Petitions from the Public: All submitted and responded to, last 12 months**

<i>Date</i>	<i>Subject of question</i>	<i>Response and any Specific actions agreed</i>	<i>Status of actions (eg completed? Partially completed? still outstanding?)</i>
05/08/20	Petition presented by a Member of the Public – Rory Shannon in respect of the Artrix	This was accepted by the Leader on behalf of the Trustees of the Holding Trust.	NFA – the contents of the petition would be considered, if appropriate, by the Trustees as part of their ongoing work.

**Kate Van der Plank – Risk Champion**

**Jan 2021**