

Bromsgrove District Council



Audit, Standards and
Governance Committee

ANNUAL REPORT

2020 / 2021



Bromsgrove
District Council

www.bromsgrove.gov.uk

CHAIRMAN'S FOREWORD

I am pleased to introduce the Audit, Standards and Governance Committee's 2020/21 Annual Report. This year has seen the continued development of the Committee and it's work in providing an independent assessment of the wide range of controls and corporate governance.

The report outlines the breadth of the work undertaken by the Audit, Standards and Governance Committee. The Committee and its members have a vital role in providing assurance both the Council, and importantly the public as to transparency, compliance and value for money. Alongside this the Committee is responsible for 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 continue to take a proactive approach to concerns raised through our internal audit function, especially around limited assurance audits and to ensure follow through of overdue audit actions.

It is a disappointment that the accounts and audit opinion this year have been heavily delayed. In part this is due to COVID, but also due to the necessary implementation of a new financial and HR software (ERP Enterprise Resource Planning) system at the same time. The Committee have throughout sought clarity from our auditors and officers as to the reasons for the delay and the impact on the Council. The Committee also heard directly from the lead project manager on the ERP system installation and took assurance from the thorough approach being taken.

As for last year's report 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 COVID and pandemic response. This is Councillor Van Der Plank's final year as Risk Champion and she has certainly set a high bar for the proactivity and engagement she has had in the role. It has enabled the Committee to have important discussions and gain valuable insight around risk.

I would like to thank the 151 Officer (and to wish Jayne Pickering, as our 151 officer during most of this period, well in her new role at Wychavon DC), 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 provides 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
June 2020 – January 2021



Andrew Beaumont



Sarah Hession
June 2020– January 2021



Rachel Jenkins
January 2021 – May 2021



Janet King



Adrian Kriss



Maria Middleton
January 2021- May 2021



Caroline Spencer



Kate Van Der Plank

INTRODUCTION

This report provides an overview of the Audit, Standards and Governance Committee's activities during the municipal year 2020/21.

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.
- Model Code of Conduct.
- 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.
- 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.
- Covid-19 Civil Contingencies Response.
- Benefits and Compliance Update Report 2019-2020.

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 Committee – 2020-2021

The Council's constitution requires the Audit, Standards and Governance Committee to hold quarterly meetings. Due to Covid-19 and associated lockdown the meetings for the municipal year 2020/21 were held virtually on Skype for Business and then Microsoft Teams. The meetings were held in July and November 2020 and January and March 2021. 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.

Due to Covid-19, training was more challenging than in previous years. However, a comprehensive training programme had taken place in the 2019-2020 municipal year due to the 2019 Elections.

In light of the need to work remotely during the pandemic, new IT equipment was rolled out to all Members in order for this to be achieved more easily and efficiently for all concerned. Training on the new equipment was provided in various formats, including face to face (with all social distancing guidelines being adhered to), online and for those Members with a good knowledge of IT the equipment was provided together with an instruction sheet and telephone number for them to ring should they have any issues.

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 Motions referred to Cabinet and Planning Committee Procedure Rules regarding TPOs.

Dispensation Report

There was no consideration of the Dispensation Report for the municipal year 2019-2020 as it was considered at the Audit, Standards and Governance Committee meeting held on 30th July 2019. The dispensations agreed at this meeting remain valid until the first meeting of the Audit, Governance and Standards Committee following the next District Council Elections in 2023.

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 a number of complaints this year at both a Parish and District level. These have all been resolved locally by the Monitoring Officer.

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.

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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 Progress Monitoring Report 2019/20 and 2020/21
- Internal Audit - Annual Report 2019-2020
- Internal Audit – Draft Audit Plan 2020-21
- 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 Bromsgrove District Council Audit Plan Addendum – Covid-19
- (External Audit) - Interim Audit Findings Report
- Grant Thornton - Progress and Sector Report 2020/21
- Grant Thornton Annual Audit Letter 2019/2020
- Grant Thornton External Audit - Audit Findings Report
- Grant Thornton - Housing Benefit Report 2020/2021

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

COVID-19 AND REMOTE MEETINGS

During the municipal year 2020-2021 the Covid-19 pandemic had a significant impact on Council operations and had inevitably caused delays in some areas. In order to mitigate the impact on Council activities, the Government temporarily removed the legal requirement for local authorities to hold public meetings in person. This meant that Councils had powers to hold public meetings virtually by using video or telephone conferencing technology. The Regulations were made in Parliament on 2nd April 2020 and applied to meetings taking place before 7th May 2021.

At the meeting of the Audit, Standards and Governance Committee held on 24th November 2020 Members were informed that the Local Government Association (LGA), the Association of Lawyers in Local Government and the Association of Democratic Services Officers (ADSO) had collectively written to the Government regarding the ability to hold remote meetings, not only until May 2021, but also to continue to hold some meetings remotely in the future. Any updates regarding this would be presented to Members once further information was received.

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STATEMENT OF ACCOUNTS – 2019-20

To be completed once the Statement of Accounts have been considered at the meeting of 11th March 2021.

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REMOTE MEETING PROTOCOL – 22ND JULY 2020

At the first meeting of the municipal year and, in light of the Covid-19 pandemic, a Remote Meeting Protocol was presented for Members' attention which detailed a number of key areas for both Members and officers, including the calling of meetings, access to documents, pre-arrangements, the inclusion of external participants, the role of the Chairman, etiquette when attending a virtual meeting, the meeting itself and how the debate would be run, how exempt items would be dealt with and how any technical problems would be handled.

It was highlighted to Members that Democratic Services had worked closely with the IT Team to ensure that all Members were able to access the appropriate software on their Council equipment and were confident in its operation.

In addition to this, the Protocol detailed, that in order for public meetings to run smoothly small amendments had been made to the Council's constitution, which had been agreed by all Group Leaders through the Urgent Decision process. It was clarified in the report that all Urgent Decisions that taken are available on the Council's website to ensure transparency.

In order to meet the requirements of the new legislation the Committee was informed that all public meetings would be live streamed to the Council's You Tube channel, with a link being provided on the Council's website to access these.

Members were informed that any further changes would be reported to the Committee at future meetings.

MODEL CODE OF CONDUCT – 22nd JULY 2020

The Committee was asked to consider the content of the Local Government Association's draft Model Member Code of Conduct and to determine whether to submit any comments about the Model Member Code of Conduct in the Association's consultation process. The report outlined that the Local Government Association (LGA) had undertaken a review of the Model Code of Conduct and a new Model Code of Conduct had been developed. In addition to this a consultation process had been carried out by the LGA over a period of 10 weeks. The Committee were asked to provide any comments, particularly in light of the virtual setting of the meeting and in respect of social media and online activity.

Members were in agreement that the current process might cause confusion regarding interests that needed to be declared and perhaps this was an area that needed further clarification in the future.

REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) – 22nd JULY 2020

Members were presented with the Regulation of Investigatory Powers Act 2000 (RIPA) report and were advised that the change in legislation in 2018 had resulted in elected Members reviewing the RIPA policy at least on an annual basis. During consideration of this report by the Committee, the Council's RIPA Policy as reviewed, was endorsed and the update on RIPA activity was noted.

GRANT THORNTON - BROMSGROVE DISTRICT COUNCIL AUDIT PLAN ADDENDUM – COVID-19 – 22ND JULY 2020

During presentation of this report the Council's external auditors, Grant Thornton, explained that Covid-19 had a significant impact on the way Councils produce their accounts. It was explained to Members that processes were different when carrying out a remote audit and that it had not been without challenges. It was reported that the audit might take longer than in previous years but that the process would commence in September 2020.

INTERNAL AUDIT - PROGRESS REPORT 2019/20 & 2020/21 – 22ND JULY 2020

The Internal Audit Progress Report 2019/20 & 2020/21 detailed that the Internal Audit work for 2019-2020 had mostly been completed prior to the Covid-19 lockdown. The Committee was informed that there had been a marked improvement on the previous year and that this reflected the controls that had been put in place following recommendations made by the Audit, Standards and Governance Committee in previous years.

It was noted that there was still an outstanding 'high priority' recommendation regarding Safeguarding and the Committee requested it be updated in order to understand what measures were being undertaken to resolve any outstanding issues at its next meeting.

SAFEGUARDING AUDIT UPDATE – 10TH SEPTMBER 2020

As was requested at the previous meeting of the Committee an update was provided to Members regarding a Safeguarding Audit which had been previously undertaken. During presentation of the report, it was clarified that several recommendations had been satisfied and that any risks were being mitigated.

The Committee was informed that tools had been adopted which provided Council-wide Safeguarding information to officers and training had been undertaken where necessary. In addition to this checking processes had been implemented where necessary and Members undertook annual Safeguarding training and this was also included as part of the induction programme.

HEALTH AND SAFETY AUDIT UPDATE – 10TH SEPTEMBER 2020

The Senior Health and Safety Advisor was welcomed to this meeting to discuss the Health and Safety update. Members were informed that there had been progress made in all areas including a review of the Health and Safety Policies, Fire-Risk Assessments, Business Continuity Planning and Health and Safety Induction Training.

RISK MANAGEMENT MONITORING GROUP -10TH SEPTEMBER 2020

During consideration of this update Members agreed that it would be useful to be presented with the Risk Register with a particular focus on Covid-19 and Brexit at a future meeting. Members also welcomed the suggestion of an update regarding the Civil Contingencies response to Covid-19 and that it would be useful to understand the Council's response at a future meeting of the Committee. This was an area that had also been highlighted in the Risk Champion's report considered at the meeting held in July 2020.

PROGRESS ON BEST PRACTICE RECOMMENDATIONS FOR AUDIT, STANDARDS AND GOVERNANCE COMMITTEES REPORT – 24th NOVEMBER 2020

As part of this report Members were informed that the Best Practice Recommendations ran in parallel with the review of the Code of Conduct which had been presented to the Committee at the meeting held in July 2020.

It was confirmed that the majority of the Best Practice Recommendations were already in place at the Council but that a proposed change was recommended regarding Arrangements for Managing Standards Complaints by the Council. Members agreed with the recommendation and a response was provided by the Principal Solicitor to the Chairman of the Committee of Standards for Public Life by the deadline of 30th November 2020.

The Parish Council representative, although not present at this meeting, had requested that a question regarding the dissemination of information in respect of the Model Code of Conduct to Parish Councils be raised in his absence. It was discussed that at this point in the process it was too early to disseminate information to Parish Councils in respect of the Model Code of Conduct due to the processing of the consultation responses and because certain recommendations of the Committee for Standards in Public life required legislative changes.

Members were informed that further reports would be brought to Members as the development of the new code progressed.

COVID-19 CIVIL CONTINGENCIES RESPONSE – 24TH NOVEMBER 2020

At the meeting of the Committee that took place on 10th September 2020 it had been agreed that a presentation be provided regarding the Council's response to Covid-

19. In order to present Members with a report the North Worcestershire Civil Contingencies and Resilience Manager was invited to this meeting.

During the presentation Members were advised that a debrief exercise had been carried out at the end of the first national lockdown as a statutory duty under the Civil Contingencies Act (2004). The response had been provided to the Corporate Management Team (CMT) in August 2020.

As a result of the debrief, eighteen recommendations had been made, all of which had been accepted by the Chief Executive. It was reported that all of the recommendations, except for one, had been undertaken by the Council within six weeks and that the outstanding recommendation was concerned with data sharing and would be ongoing and monitored closely.

Members were encouraged by the work that had been carried out and that the Council was in a very strong position due to the Business Continuity Planning that had been undertaken during the pandemic.

GRANT THORNTON - PROGRESS AND SECTOR REPORT- 24TH NOVEMBER 2020

At this meeting it was reported by Grant Thornton that there had been a delay due to the challenges faced by carrying out the audit remotely and that Covid-19 had inevitably had an impact on the time it had taken to carry out the audit.

The report also highlighted the following:

- The deadline for the Council's Annual Housing Benefit Subsidy claim certificate had been delayed by the Department of Work and Pensions (DWP) to 31st January 2021.
- Extra resources had been provided in order to complete the audit and the preparation of the final accounts.
- Any impact on fees charged for the audit would be reported to Members in the Annual Audit Letter
- The Enterprise Resource System (ERP) would be live by the end of January 2021 after robust testing and training had taken place.

INTERNAL AUDIT – MONITORING REPORT – 24TH NOVEMBER 2020

It was reported to Members during this Monitoring Report that the Internal Audit Plan was progressing, and that the quality of audit work carried out remained high. Areas of risk were still being monitored closely by the Internal Audit Team including targeting areas that previously had Limited Assurances and Discretionary Business Grants.

It was noted that an Improvement Plan was to be included in all updates provided to the Committee in future to ensure that the service continued to evolve.

RISK REGISTER – COVID-10 AND BREXIT – 24TH NOVEMBER 2020

At the previous meeting of the Committee, it was agreed that Brexit and Covid-19 be included in any Risk Register Updates. During the first of these updates to following was highlighted for Members:

- Brexit was highlighted on the Risk Register due to the potential impact on businesses, supply chains and loss of income streams to the Council.
- Recovery and Restoration plans were being implemented across the District.
- The Joint Corporate Health, Safety and Welfare Committee met regularly, and risk assessments were carried out to ensure that the Council was compliant with Health and Safety regulations.

GRANT THORNTON - INTERIM AUDIT FINDINGS REPORT – 21ST JANUARY 2021

It had been hoped that the final version of the Audit would be presented at the meeting, however unfortunately there had been a delay and Members were presented with an interim report.

Regarding the outstanding areas of the Audit, it was clarified that some of the gaps were as a result of increased audit expectations from the National Audit Office and that information regarding floor areas for example, had never been requested before and therefore it had taken longer to provide.

In addition to the increased audit expectations, the finance systems were archaic and cumbersome, and it was hoped that the implementation of the ERP system in January 2021 would resolve this in the future.

BENEFITS AND COMPLIANCE UPDATE REPORT 2019-2020 – 21ST JANUARY 2021

The Benefits and Compliance report is an annual report that provided to the Committee and outlined the work that was undertaken by the Compliance Team including:

- 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

Members were informed during the presentation that it was planned that a project be undertaken to investigate the Council Tax discounts received by residents.

MARCH 11TH 2021

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RISK CHAMPION - COUNCILLOR VAN DER PLANK

Councillor Van Der Plank volunteered to be Risk Champion on behalf of the Committee during the municipal year 2019-20. However, due to the Covid-19 pandemic had continued for 2020-21. As part of her role, she undertook to provide the Committee with a verbal update at each meeting.

In detailed updates, Councillor Van Der Plank had provided reports on the following:

- Bromsgrove District Council's response to the Covid-19 pandemic
- Interview with the Head of Community Services - Training, ways of working, Recruitment and Role in the Community
- Training and well-Being
- Outcome of Motions & Written Questions

The following provides a more detailed account of the areas that Councillor Van der Plank had reported on.

BROMSGROVE DISTRICT COUNCIL'S RESPONSE TO THE COVID-19 PANDEMIC – JULY 2020

The key areas in respect of this Risk Champion update focused predominantly on the following:

1. How prepared were the Council for this emergency?
2. How did the Council respond?
3. How did the Council operate?

Members were informed that there had been some very positive areas in the Council's response, including daily emergency response meetings, identification of service areas which required increased staffing levels and redeployment of staff into priority areas. Following this discussion, a request was made for officers to provide an update on the Council's response to the pandemic from Civil Contingencies and Resilience Manager at a future meeting. This request was actioned and presented to the Committee on 24th November 2020.

INTERVIEW WITH THE HEAD OF COMMUNITY SERVICES - TRAINING, WAYS OF WORKING, RECRUITMENT AND ROLE IN THE COMMUNITY – SEPTEMBER 2020

During the presentation for the Risk Champion update in September 2020 it was highlighted that the Head of Community Services had been interviewed and four areas had been investigated in detail, these were:

Training

- The Head of Community Services was the safeguarding lead for the Council.
- The approach taken to Safeguarding was that it was everyone's responsibility so basic safeguarding training had been rolled out to everyone.
- safeguarding training was provided online for office-based staff and for non-office-based staff training was face to face.
- All new starters (including volunteers) had to do safeguarding training as part of their induction program.

Policies and Ways of Working

- The Safeguarding Policy was reviewed and updated annually and that a review was currently being carried out and would be signed off by the relevant Portfolio Holder.
- A Safeguarding Champion had been introduced since the start of lockdown and was the designated point of contact for each service area.
- Safeguarding referrals were logged and outcomes noted, and clear processes appeared to be in place for handling serious incidents.

Recruitment

- The importance of Safer Recruitment policies were being followed for all recruitment. This included DBS checks and following up on references. As part of this interview, it was noted that training on Safer Recruitment had not been undertaken in some time which needed to be addressed.

Role in the Community

- The Council had good clear links and worked well with Worcestershire County Council on safeguarding in both corporate settings and on a day-to-day basis.
- The constraints on officer time were a challenge and the implementation of the Safeguarding champion role would help to alleviate this.
- Leadership was important and was felt that it was helpful having the Chief Executive as the District Council's representative on the Safeguarding Board.

After the detailed report Members understood more fully the positives and challenges in this area and proposed a number of recommendations be proposed for the Member Development Steering Group all of which were agreed by the Committee.

The recommendations were as follows:

- 1. the Member Development Steering Group consider making Basic Safeguarding training for Members be mandatory and carried out at least once in 4-year term;**
- 2. the Member Development Steering Group consider providing training for both Safeguarding and other types of training in different formats, such as online; and**

- 3. the Cabinet and relevant Portfolio Holder considers bringing the updated Safeguarding Policy to full Council due to the length of time since it was last reviewed and as a reminder to Members of its importance.**

These recommendations will be considered at the meeting of the Member Steering Group due to be held in March 2021.

TRAINING AND WELL-BEING – INTERVIEW WITH THE HEAD OF BUSINESS TRANSFORMATION, ORGANISATIONAL DEVELOPMENT AND DIGITAL STRATEGY – NOVEMBER 2020

The Risk Champion update for November 2020 was in respect of training for staff and Members and what processes were in place in order for these to be carried out. In reporting to the Committee, it was discussed that staff were subject to an annual Performance & Development Review (PDR). As part of the PDRs, it was clarified that a variety of training methods and opportunities were discussed.

In respect of Member training, the Committee were advised that historically face-to-face methods had been used to deliver training but time constraints on Members did not always allow this to happen. It was suggested by Councillor Van Der Plank that if more mandatory training was available online it might be easier for Members to participate.

Suggested areas of further training for Members were as follows:

- IT Training
- Equalities Act 2010 Training

In respect of staff well-being, Councillor Van der Plank highlighted that there was a focus on staff well-being during such a challenging time. It was acknowledged that there was extensive support available to staff including an employee support service, occupational health referrals, mental health first aiders and mental health IT training. Members were advised that a well-being Staff Survey was due to be carried out in November 2020 and the results of the surveys would be available in 2021.

OUTCOME OF MOTIONS & WRITTEN QUESTIONS - 21ST JANUARY 2021

The Committee's Risk Champion first report in 2021 was regarding the Outcome of Motions & Written Questions that had been brought to Full Council meetings during the previous 12 months.

The main area for discussion was in respect of potential confusion regarding the responsibility of following-up on Motions and Questions. Members were informed that it was the responsibility of the Member who brought the Motion or Question to follow up on the outcome and any associated actions. It was requested that this information should be cascaded to all Members through their Group meetings.

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

MARCH 11TH 2021

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