

**BROMSGROVE DISTRICT COUNCIL**

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

**12TH APRIL 2022, AT 6.00 P.M.**

PRESENT: Councillors L. C. R. Mallett (Chairman), P. J. Whittaker (Vice-Chairman), A. J. B. Beaumont, M. Glass (substituting for Councillor C. Spencer), J. E. King, A. D. Kriss, M. Middleton, K. J. Van Der Plank and Mr B. McEldowney

In attendance: Mr. N. Preece – Grant Thornton, Mr. J Murray – Grant Thornton (on Microsoft Teams)

Officers: Mr J. Howse, Mrs. C. Felton, Mr. A. Bromage (on Microsoft Teams), Mr P. Carpenter (on Microsoft Teams), Mrs J. Willis (on Microsoft Teams) and Mrs. J. Gresham

34/21

**APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillor R. Jenkins and Councillor C. Spencer with Councillor M. Glass in attendance as named substitute.

35/21

**DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no Declarations of Interest nor of any Whipping Arrangements.

36/21

**TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 2ND FEBRUARY 2022**

The minutes of the Audit, Standards and Governance Committee meeting held on 2<sup>nd</sup> February 2022 were submitted for Members' consideration. It was noted that Mr. B. McEldowney did not appear in the minutes, however it was confirmed that he was in attendance at the meeting. The Senior Democratic Services Officer undertook to update the records accordingly.

**RESOLVED** that the minutes of the Audit, Standards and Governance Committee meeting held on 2<sup>nd</sup> February 2022 be approved as a correct record.

37/21

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

The Monitoring Officer presented her brief report and in doing so, the following was highlighted for Members' attention:

- There had been no further Members complaints received since the last meeting of the Committee. The Member complaint that was highlighted at the last meeting of the Committee was still under investigation and further information would be available once the investigation was completed.

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

38/21

### **NEW MODEL CODE OF CONDUCT**

The Monitoring Officer presented an update in respect of the New Model Code of Conduct. During consideration of the report, it was noted that the information provided to the Committee was as a result of work that had been undertaken since the publication of the new Local Government Association (LGA) model Code of Conduct in December 2020.

The new LGA model Code of Conduct had been used as a starting point for the pan-Worcestershire Code of Conduct presented for Members' attention. It was reported that Monitoring Officers across Worcestershire had been involved in making the changes and had agreed the final version for Members of the Committee to approve.

Members were pleased with the new document; however, they were particularly interested in how robustly the new Code would be implemented and enforced amongst Members. The Monitoring Officer confirmed that Members had to take responsibility for their own actions and that it was important that all Group Leaders worked closely with Members to ensure that this was cascaded appropriately.

There was a brief discussion in respect of the cost of items purchased by the Council and whether best value for money was always available. Officers explained that there was a robust procurement process in place when purchasing items for the Council that provided best value in this area; and that to buy items individually could result in the outcome of costs being disproportionately high.

It was confirmed to the Committee that the Advisory, Conciliation and Arbitration Service (ACAS) definition of bullying had been used as part

of the new Model Code of Conduct, however individual cases would be considered on a case by case basis.

**RECOMMENDED** the Worcestershire-wide draft Code of Conduct be adopted by the Council.

39/21

**GRANT THORNTON - SECTOR UPDATE**

Mr. N. Preece, Manager for Grant Thornton provided the Sector Update for Members consideration. During consideration of this item, it was noted that in February 2022, the Chartered Institute of Public Finance and Accountancy (CIPFA) had released an emergency consultation on 2021/22 reporting requirements. It was hoped that Members found the report useful in providing an overview of work that was currently being undertaken in the sector.

**RESOLVED** that the report be noted.

40/21

**GRANT THORNTON - EXTERNAL AUDIT PLAN 2020/2021**

Mr N. Preece, Manager, Grant Thornton presented the External Audit Plan 2020/2021 for consideration by the Committee. During the presentation the following was highlighted for Members' attention:

- Grant Thornton had tried to present a balanced plan for the year 2020-2021 recognising the impact of the Covid-19 pandemic. It was reported that the Statement of Accounts for 2020-2021 would be available by the end of May or early June 2022. Delays had been experienced due to levels of staffing.
- The significant risks were identified within the report and included the following:
  - Management over-ride of controls – it was clarified that there was no suggestion that this practice had taken place however it was important for auditors to remain sceptical and look at all risks with rigour.
  - New financial ledger implementation – It was reported to Members that all of the data had been successfully migrated to the new ledger.
  - Staffing within the finance department
- Value for Money arrangements had been changed for the year ending 2020/21 and the National Audit Office had introduced a new code of Audit Practice. This meant that there would be a wider scope and more in-depth reporting required around the specific reporting criteria of improving economy, efficiency and

effectiveness, financial sustainability and governance. The risks linked to these criteria were reported to Members within the report and mitigations were being undertaken to address these. However, it was confirmed that due to the increase in detailed work this would result in an increase in audit fees, as outlined within the report.

The Executive Director for Resources informed Members that this was an important report for Members to consider at a difficult time for the Finance team who were not currently fully staffed. There had been a recruitment drive in this team, but it was recognised that the current recruitment market was difficult and competitive. There was another round of recruitment due to be carried out in order to fill the vacancies across the Finance team. Members were concerned about the difficulty of recruiting into the vacant posts and were informed that there was a pay differential with the private sector which had impacted on the ability to recruit. In addition to this the Covid-19 pandemic had enabled people to work from home and therefore there had been an increase in the ability to work in areas where larger salaries could be paid e.g. London and Birmingham without having to incur any travel costs.

Some Members queried whether the Shared Service agreement across Bromsgrove District and Redditch Borough Councils had negatively impacted the amount of work that officers could carry out on behalf of Bromsgrove. Assurance was given to the Committee that this was not the case, and in fact having shared services across both Councils had been beneficial as it had meant that information sharing was much easier.

**RESOLVED** that the Grant Thornton - External Audit Plan 2020/2021 be noted.

41/21

**GRANT THORNTON - INFORMING THE AUDIT RISK ASSESSMENT 2020/21**

Mr. N. Preece presented the final Grant Thornton report for Members' consideration. The Informing the Audit Risk Assessment 2020/21 report provided information regarding understanding of management processes through a series of questions and responses received from Bromsgrove District Council's management. It was reported that there were concerns raised from the responses received and that Grant Thornton were comfortable with the management responses and the related policies.

**RESOLVED** that the Grant Thornton - Informing the Audit Risk Assessment 2020/21 report be noted.

42/21

**OVERALL RISK AND CORPORATE GOVERNANCE REPORT INCLUDING RISK REGISTER**

The Executive Director of Resources presented the Overall Risk and Corporate Governance Report which also included the Risk Register report. During consideration of this item, it was again recognised that there had been resource challenges experienced over the financial year 2020-21. It was also considered a priority to embed risk management across the organisation.

A report regarding risk had recently been presented to the Corporate Management Team (CMT) and actions had been agreed on the way forward in respect of risk. The meeting of the Officer Risk Board that had been established to drive forward improvements had taken place on 7<sup>th</sup> April 2022 and a further report had been provided to CMT.

Some Members were concerned with some of the information within the report, as risk was an area that needed a detailed action plan in order to ensure risk was managed effectively in the future. Assurance was provided by Officers that it was a priority to approach risk in a more coordinated and consistent way in the future and that reporting would be provided to both Cabinet and CMT to ensure monitoring was taking place.

**RESOLVED** that the Overall Risk and Corporate Governance Report including the Risk Register report be noted.

43/21

**INTERNAL AUDIT PROGRESS REPORT**

The Head of Internal Audit Shared Service provided Members with a progress report for Internal Audit. He confirmed that good progress was being made in respect of the 2021-2022 Audit Plan. It was noted that three reports had been finalised since the last meeting of the Committee these were Benefits, Risk Management and Treasury Management. Although it was stated that the Risk Management report had been given an opinion of 'no assurance,' it was important to recognise that this had been given because as part of the Internal audit Plan 2021-2022 there was a requirement to produce an action plan which would form the basis of this review carried out. It was reported that at the time of the review this had not been produced. However, confirmation was given that, as

stated in the previous agenda item, that work had begun on the Risk Management plan and actions had already begun to be completed.

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

44/21

### **INTERNAL AUDIT - SAFEGUARDING VERBAL UPDATE**

The Head of Community and Housing Services provided a Safeguarding verbal update to Members. The update had been requested as a result of a report presented to the Committee at its last meeting. Members had requested an update, in order to fully understand and ensure that the Safeguarding actions highlighted as part of the internal audit were being managed appropriately. During consideration of this item the Committee was informed of the following:

- Net Consent training was rolled out to all members of staff, the training was compulsory and refresher training had to be undertaken every three years using the online Net Consent application. Members queried what percentage of staff did not complete the Net Consent training. Officers confirmed that 100% of staff completed the training, as staff members were unable to log into their computers if the training had not been completed by the required deadline. It was also reported that there were approximately 200 members of staff that were provided with this training every 3 years and approximately 40 members of staff who required more in depth, face-to-face training.
- As an interim measure, currently all mandatory training records were being monitored by Directorate Support until the Human Resources Training system was live. This monitoring provided information on all staff who required level 1 or above Safeguarding training.
- In respect of safe recruitment, there was currently no formal policy in place. However, the Enterprise Resource Planning (ERP) system would provide support in this area once implementation had been completed.

Members felt that it was incredibly important for all Members to receive Safeguarding training, particularly because they were often in a position of meeting residents in their homes and communities. The level of training and whether it should be mandatory was discussed in detail with Members in agreement that it should be delivered somewhere between the introductory training and level 1 training that was available. The Committee were informed that there were online learning modules that were available in this area that Members could undertake in

approximately one-hour sessions. The Head of Community & Housing agreed that this was necessary and undertook to look at bespoke training for Members in this area.

**RESOLVED** that the Internal Audit - Safeguarding Verbal Update be noted.

45/21

**AUDIT, STANDARDS AND GOVERNANCE COMMITTEE - DRAFT ANNUAL REPORT 2021-2022**

The Chairman introduced the Audit, Standards and Governance Committee - Draft Annual Report 2021-2022 for the Committee's consideration and thanked officers for their support over the municipal year. In addition to this, the Vice-Chairman, Councillor P. Whittaker, was thanked by the Chairman for his support.

Members were informed that this was a draft report and the items that had been discussed at this meeting would be included in the report and considered at the Full Council meeting due to be held on 22<sup>nd</sup> June 2022.

Members of the Committee thanked the Chairman for all of his hard work over the municipal year.

**RESOLVED** that the draft annual report for the Audit, Standards and Governance Committee 2021/2022, be noted and presented at Council as a final version.

46/21

**RISK CHAMPION - VERBAL UPDATE REPORT (COUNCILLOR A. BEAUMONT)**

In his role of Risk Champion, Councillor A. B. Beaumont informed Members that he would be meeting with the Executive Director for Resources within the next few weeks in order to look at how risk was managed and the actions that needed to be undertaken going forward.

**RESOLVED** that the Risk Champion - Verbal Update Report be noted.

47/21

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

The Senior Democratic Services Officer undertook to make any changes to the Committee's work programme in readiness for the next meeting.

**RESOLVED** that the Audit, Standards and Governance Committee Work Programme be noted.

The meeting closed at 7.15 p.m.

Chairman