

**Minutes of Governance Committee**

**Meeting date** Tuesday, 25 January 2022

**Members present:** Councillors Ian Watkinson (Chair), Colin Sharples (Vice-Chair), Damian Bretherton, Margaret Smith, Alan Ogilvie, Angela Turner and Kath Unsworth

**Officers:** Mark Lester (Director of Commercial), James Thomson (Deputy Director of Finance), Neil Anderson (Assistant Director of Projects and Development), Dawn Highton (Shared Service Lead- Audit & Risk), Dave Whelan (Shared Services Lead - Legal & Deputy Monitoring Officer), Victoria Willett (Service Lead - Transformation and Partnerships), Jacqui Murray (Senior Auditor), Coral Astbury (Democratic and Member Services Officer) and Caroline Winstanley (Shared Services Project Co-Ordinator)

**Other members and officers:** Councillor Paul Foster (Leader of the Council), Phil Smith and Karen Walton (Leader of the Opposition and Leader of the Conservative Group)

**External Auditor:** Matt Derrick (Grant Thornton PLC)

**Public:** 0

**30 Apologies for absence**

There were no apologies.

**31 Declarations of Interest**

There were no declarations.

**32 Minutes of meeting held Tuesday, 30 November 2021 of Governance Committee**

**Resolved: (Unanimously)**

That the minutes of the last meeting held Tuesday, 30 November 2021 were agreed as a correct record for signing by the Chair.

**33 Audit Progress Report and Sector Update**

The committee considered a report of the Council's External Auditor, Grant Thornton which sought to provide a general sector update and information for members on various reports of interest.

The External Auditors advised that the housing benefit certification work was progressing and an extension had been requested for approximately two weeks past the deadline of 31 January 2022. The External Auditors would shortly be issuing the annual audit, and the value for money opinion to Senior Management and Governance Committee.

Members noted that the remainder of the report contained a summary of key sector updates.

In response to a member enquiry, the External Auditors confirmed that they had enough resource to deliver audits. Across the county only 10% of audits were delivered to the deadline of 30 September 2021. The housing benefit audit was delayed not as a result of staffing levels but due to issues accessing the information remotely.

**Resolved: (Unanimously)**

That the report be noted.

**34 Internal Audit Interim Report as at 31st December 2021**

The committee considered a report of the Director of Governance which gave an update on the work undertaken in respect of the Internal Audit Plan from September 2021 to December 2021. The report also provided members with an appraisal of the Internal Audit Service's performance to date, whilst seeking amendments to the Audit Plan 2021/22.

The Service Lead (Audit and Risk) advised between September 2021 and December 2021 ten audits were completed, and only one audit received a limited assurance rating. Members were issued a copy of the Review of Facilities & Building Management (Civic Centre) report prior to the meeting.

The Service Lead (Audit and Risk) explained that the Audit Plan 2021/22 was challenging. Pre-COVID the team would normally deliver 340 audit days, however the current plan covered 499 days. A recruitment exercise to hire two posts to be able to successfully deliver the plan had taken longer than anticipated, with roles being advertised three times before appointments could be made. However, both members of staff had now tendered their resignation and left the service at the end of December 2021.

As a result, the Service Lead (Audit and Risk) asked members for the approval to defer four reviews; Plant Inventories/Contract Management, Community Infrastructure Levy, Safeguarding and Health and Safety.

Members congratulated the Internal Audit service on achieving re-certification for ISO9001.

In response to a member enquiry, the Service Lead (Audit and Risk) explained that the plan was unusual to deliver 24 audits but resource was mapped out at the beginning of the year and the target was achievable. Moving forwards, the level of planned audits would not be sustainable at 24 and would reduce slightly. Although the level of completed audits for the year would be higher than previous years.

Members expressed concern at the limited assurance rating of Building and Facilities Management report and asked what action had been taken to rectify the issues. In response, the Service Lead (Audit and Risk) explained that the audit for facilities management was issued in October and was given a short time scale for actions to be implemented. 19 actions were agreed with 15 implemented in full. Two actions had been given revised dates to be implemented due to circumstances beyond the department's control and two actions were not yet due. The Service Lead (Audit and Risk) commented that if the audit was undertaken again the result would be different.

Members noted that the report on Facilities and Building Management report had only been provided on the day of the meeting and requested that reports for audits which receive limited assurance rating be provided to committee in advance.

Members asked if it would be possible to see the audit for the leisure centres, it was agreed that the report would be brought back to a future meeting as the governance arrangements for the Wholly Owned Company was still in the process of being developed.

In response to a question about IDOX and the implementation, the Director of Commercial advised that the team were working with colleagues in IT and it would be implemented as part of a wider software roll out. Although IDOX is a good record management system, it is not a bespoke system for property management and officers would also be considering other suppliers.

Members commented on the importance of having robust health and safety procedures and sought clarification before considering deferral. In response, the Service Lead (Audit and Risk) explained that the Health and Safety Team had now been moved into the Audit and Risk Service and a Health and Safety Team Leader had just been appointed and would shortly be undertaking a full review of the Council's Health and Safety procedures. If Internal Audit were to undertake an audit at this point, work would be duplicated as the audit team would be reliant upon their work.

Members requested that the Health and Safety Team review be started in conjunction with an officer from Internal Audit to assist progress. The Service Lead (Audit and Risk) agreed that this could be accommodated.

Members considered the performance indicators for Internal Audit as at 31 December 2021 and stated that the % of agreed actions for management were quite low. In response, the Service Lead (Audit and Risk) explained that over the last two or three years there had been no systematic monitoring of agreed actions but good progress was being made. The actions were monitored on a monthly basis by the officer Corporate Governance Group and when the annual report is presented in May 2022 the percentage of agreed actions will be nearer to 90% than it currently is. It was agreed that an update report would be brought to the next meeting in March to provide an update on the management actions.

**Resolved: (Unanimously)**

1. That the report be noted.
2. The amendments to the Internal Audit Plan 2021/22 are approved.

### 35 Strategic Risk Review

Members considered the report of the Deputy Chief Executive which provided an updated Strategic Risk Register, including 16 strategic risks to the council, actions in progress and new actions intended to further mitigate identified risks.

The Service Lead (Transformation and Partnerships) explained that the document is used by the Council to identify risks to the organisation and service delivery. The register is a live document and frequently reviewed by Senior Management Team and included on GRACE. Members noted that risks have remained similar to last year, with three risks identified as increasing in risk level and two have decreased since the last review. Additionally, one new risk had been identified for 2021/22, alongside one risk being removed from the register.

Members referred to Risk R06 – Lack of Staff Capacity and Skills and were surprised the residual and target risk were green. The Service Lead (Transformation and Partnerships) explained that there was a high number of controls in place, the vast majority of roles can be recruited successfully and recruitment policies and training for managers were in place. Development processes were in place for new talent, however it was accepted that there was gaps in high demand areas such as Planning and Audit but controls were in place.

Members explained that they had concern about R10, low staff morale and satisfaction and requested further information on the staff survey. The Service Lead (Transformation and Partnerships) explained that a staff survey had been undertaken and the risk rating was based on the current national context and the impact of COVID on morale in general. The survey had recently been completed and officers were still in the process of analysing the results. The report overall suggests that satisfaction is around 80-90% in terms of line management, although there are some areas which received low scores.

Members were advised that a report including the staff survey results would follow due process and be provided to Scrutiny Committee and Cabinet for consideration.

#### **Resolved: (Unanimously)**

That the report be noted.

### 36 Annual Governance Statement 2020/21 - Action Plan Update

The committee received the report from the Monitoring Officer which provided members with an update on the progress of the agreed actions within the Annual Governance Statement action plan.

The Deputy Monitoring Officer explained that good progress had been made with some actions completed in full. It was anticipated that the full plan would be completed by the end of the year. Key themes within the plan included recruitment and induction, governance and management, risk management and GDPR.

Members noted that significant work had been done in relation to recruitment, with a new e-learning platform launched and a management development programme.

Members requested a copy of the approved Transformation Strategy and it was agreed, once the strategy was finalised and approved, it would be provided outside of the meeting.

**Resolved: (Unanimously)**

That the report be noted.

**37 RIPA update - 2021 - 2022**

The committee received a report from the Director of Governance and Monitoring Officer which provided a brief update on the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA).

Members were advised that in 2020 the council was inspected by the Investigatory Powers Commissioner's Office and no issues of concern had been raised. In 2021 the RIPA policy was amended and updated to reflect changes in the management structure of the council. Officers had received RIPA training in January 2022 by an external supplier to refresh knowledge and understanding.

Members noted that no RIPA investigations had occurred in the last twelve months.

**Resolved: (Unanimously)**

That the report be noted.

Chair

Date