

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Remote meeting using Microsoft Teams on WEDNESDAY, 22 JULY 2020

Present: Councillor S Gillard (Chairman)

Councillors D Harrison, C C Benfield, D Bigby, J Clarke, M D Hay, K Merrie MBE, V Richichi and S Sheahan

Officers: Mrs T Bingham, Miss A Wright, Mrs L Marron, Miss E Warhurst, Mr T Delaney and Mrs R Wallace

External Audit: Mr M Surridge

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor M B Wyatt.

2. DECLARATION OF INTERESTS

There were no declarations of interest.

3. MINUTES

Consideration was given to the minutes of the meeting held on 17 March 2020.

It was moved by Councillor S Sheahan, seconded by Councillor D Harrison and

RESOLVED THAT:

The minutes of the meeting held on 17 March 2020 be approved as a correct record and signed by the Chairman.

4. EXTERNAL AUDIT PROGRESS REPORT

The External Auditor presented the report detailing the progress to date, and highlighted the changes in accounts and audit timetable due to the pension element. He also referred Members to the financial reporting issues in relation to Covid-19.

In response to questions, the Head of Finance explained that a report in relation to the impact of Covid-19 on the financial forecast was due to be considered by Cabinet the following day, with a more up to date forecast going to the Cabinet meeting in September as part of quarterly reporting. Her opinion as Section 151 Officer was that the Council is well equipped to deal with the financial challenges.

The External Auditor gave an explanation on his role and the audit fee for the benefit of new members of the committee.

The Chairman thanked the External Auditor for his attendance.

5. INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report, highlighting the work undertaken in Quarter 1. Members noted that work had not yet begun on the 2020/21 plan due to Covid-19 and the Council's business focus on critical services, therefore there was no movement shown in Appendix A.

Chairman's initials

In relation to the Affordable Housing – S106/Commuted Sums recommendation at Appendix B, Councillor D Bigby asked if once completed, it would be published and available both to councillors and the public. The Audit Manager was unable to confirm but believed that once formal agreement had been reached, it would be publically available.

Councillor K Merrie raised concerns regarding the high priority rated Health and Safety Welfare recommendation, detailed at Appendix C, for which the completion date had been extended for a second time. He asked why it was yet to be completed and if the Council had the support required. The Audit Manager explained that it was still included on the tracker as it was only partly implemented. A new health and safety system has been introduced but unfortunately, due to Covid-19, it had not been fully rolled out and was not being used to its full potential. Therefore, it had been kept on the tracker to allow a follow up at a future date. Councillor K Merrie raised further strong concerns regarding the incompleteness of this recommendation.

The Head of Finance reminded members that any Head of Service could be invited to committee at any time regarding a particular recommendation if desired. After a prompt from the Chairman, Members agreed for the Head of Human Resources and Organisational Development to be invited to the next meeting to discuss the Health and Safety recommendation further.

Councillor J Clarke asked if any S106 monies were due to expire shortly and if impacted by Covid-19, would the money be lost. The Head of Finance agreed to take the question back to officers and provide an answer outside of the meeting.

It was moved by Councillor D Harrison, seconded by Councillor J Clarke and

RESOLVED THAT:

The report be noted.

6. INTERNAL AUDIT ANNUAL REPORT

The Audit Manager presented the annual report, summarising the work of internal audit carried out during 2019/20, issues relevant to the preparation of the Annual Governance Statement, Internal Audit's Quality Assurance Improvement Programme and statement of conformance with the Public Sector Internal Audit Standards. She also highlighted her required annual opinion, as Audit Manager, on the overall adequacy and effectiveness of the organisations framework of governance, risk management and control.

The Audit Manager also informed Members of the next external audit inspection scheduled to take place in November 2020.

In response to a question from Councillor D Bigby, the Audit Manager explained that the last external inspection was carried out through CIPFA and this one would be conducted by Elizabeth Humphries, a very experienced assessor who carried out the previous inspection in 2015.

It was moved by Councillor J Clarke, seconded by Councillor D Bigby and

RESOLVED THAT:

The report be noted.

7. TREASURY MANAGEMENT STEWARDSHIP REPORT 2019/20

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The Finance Team Manager presented the report, detailing the Council's treasury position, as well as the borrowing, debt rescheduling and investment activity.

In response to a question from Councillor D Bigby, the Finance Team Manager explained that the same protection applied to local authority investments as to the investments.

In response to a question from Councillor S Sheahan regarding the decision to invest more in Local Authorities rather than banks to lower the inherent investment risk, the Finance Team Manager explained that the decision was made at the advice of the Council's external advisor as a safer investment. The Head of Finance confirmed this and added that this was due to "bail-in" risk. Following a further comment from Councillor S Sheahan, the Head of Finance confirmed that assurances were sought on all advice given to ensure it was sound.

In reference to Appendix A, credit review and banks sovereign ratings, Councillor C Benfield questioned if the rating was to deteriorate, would it affect the Council's borrowing. The Finance Team Manager responded that as the current borrowing was at a fixed rate, a change would not have an impact but it could on any future investments.

In response to a further question from Councillor C Benfield regarding ethical measures used when investing, it was confirmed that there were currently no ethical measures in the framework but it was something that was being looked at due to its rise in interest.

It was moved by Councillor S Gillard, seconded by Councillor D Harrison and

RESOLVED THAT:

The report be approved.

8. PROGRESS OF IMPROVEMENTS IDENTIFIED THROUGH ANNUAL GOVERNANCE REVIEW 2018/19

The Head of Finance presented the report. She reminded Members that the report was deferred from the previous meeting as the agenda was shortened due to the emerging pandemic social distancing measures and therefore was a little out of date. At the time of writing the report, four improvements had been completed and five were underway. Members were informed that the Annual Governance Statement 2019/20 had now been completed and published, and three of the improvements underway had been carried forward to 2020/21.

It was moved by Councillor K Merrie, seconded by Councillor D Harrison and

RESOLVED THAT:

The report be noted.

9. REVIEW OF CORPORATE POLICIES

The Head of Finance presented the report, referring members to the corporate policies listed with the dates they were last reviewed at paragraph 1.2 of the report and the summary of changes to each policy at section 2.0 of the report.

In response to a question from Councillor D Bigby, the Head of Finance confirmed that the policies predominantly related to staff but the Data Protection Policy and ICT/Cyber Security Policy also related to Members. The Head of Legal and Commercial Services reminded Members that they had signed to adhere to these policies after they were

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elected and information was provided in their induction packs. She added that once the policy changes had been agreed by Cabinet, Members would be sent the relevant updated policy documents with the changes highlighted for information. It was confirmed that Members would not be required to sign up to the policies again as they had already made the commitment.

Councillor J Clarke drew attention to the Council owned drone referred to at paragraph 2.5 of the report and asked how it was used. The Head of Legal and Commercial Services explained that the drone was predominantly used by the Planning Enforcement Team to view sites that were inaccessible.

In relation to the Anti-Money Laundering Policy, Councillor C Benfield asked if contractors are made to sign anything when selected. The Head of Finance explained that contractors are not asked to specifically sign anything but adherence to the Council's policies were covered as part of the procurement process.

All comments be presented to Cabinet when it considered the report at its meeting on 22 September 2020.

10. STANDARDS AND ETHICS - QUARTER 3 REPORT

The Head of Legal and Commercial Services presented the report and reminded Members that this was also deferred from the last meeting for the same reason as explained earlier.

It was moved by Councillor S Gillard, seconded by Councillor C Benfield and

RESOLVED THAT:

The report be noted.

11. STANDARDS AND ETHICS - QUARTER 4 REPORT

The Head of Legal and Commercial Services presented the report.

It was moved by Councillor S Gillard, seconded by Councillor D Harrison and

RESOLVED THAT:

The report be noted.

12. STANDARDS AND ETHICS - QUARTER 1 REPORT

The Head of Legal and Commercial Services presented the report and highlighted the changes to the format following comments from Members. She also referred to the RIPA information, which had been put back into the report following a recommendation from the ICO during an inspection earlier in the year.

In response to a question from Councillor M Hay regarding the information available on Freedom of Information exemptions used by the Council, the Head of Legal and Commercial Services agreed to include more detail in future reports in relation to the categories of exemptions used and the numbers in each category.

It was moved by Councillor S Gillard, seconded by Councillor V Richichi and

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RESOLVED THAT:

The report be noted.

13. DRAFT MEMBER CONDUCT ANNUAL REPORT

The Head of Legal and Commercial Services presented the report and referred Members to the list of policies and procedures as detailed at section 7.0 of the report.

Members were informed that following the ballot for the Parish Representatives on the Committee, the count was held prior to the meeting in the presence of the Chairman and the Monitoring Officer. The successful candidates would be informed by letter later in the week and formally appointed at the next Council meeting.

It was moved by Councillor S Gillard, seconded by Councillor J Clarke and

RESOLVED THAT:

- a) The report be noted.
- b) Authority to make any minor amendments to the report following comments from the Committee be delegated to the Head of Legal and Commercial Services.

RECOMMENDED THAT:

- c) Council endorse the Member Conduct Annual Report 2019/20.

14. REVIEW OF THE MODEL CODE OF CONDUCT

The Head of Legal and Commercial Services presented the report, summarising the LGA consultation and its aims. District and Parish Councillors had already been invited to comment and it had been brought to the meeting to give committee members the opportunity to provide feedback also. It was suggested that a small task and finish group be established to consider the council's response to the consultation, with membership to be sought outside of the meeting by Democratic Services.

In response to a question from Councillor C Benfield, the Head of Legal and Commercial Services confirmed that a high proportion of the Parish Councils implemented the District member Code of Conduct or with very minor differences.

A number of Members were unable to open the PDF document links included in the report and therefore it was agreed for Democratic Services to circulate the documents by email.

It was moved by Councillor S Sheahan, seconded by Councillor D Harrison and

RESOLVED THAT:

A task and finish group be established to consider the LGA's Review of the Model Code of Conduct.

15. UPDATE OF THE COUNCIL'S CONSTITUTION

The Head of Legal and Commercial Services presented the report, highlighting the proposed changes to the Constitution as detailed at section 2.0 of the report.

Members were also informed of the recent changes to the Business and Planning Bill in relation to the provisions to the promotion of economic growth, such as pavement licences. Amendments introduced during the reading of the Bill in the House of Lords meant that these functions would become executive functions and therefore work would be required to look at delegations needed to manage the licensing process. If the Bill received wide ascent later in the week a decision would need to be made regarding the use of some urgent powers of the Chief Executive to manage the process in the meantime before it was considered at Council in September.

Councillor D Bigby welcomed the clarification of the allowance of questions by members of the public at the Local Plan Committee. He also referred to the provision of papers to Councillors in the Remote Meeting Procedure Rules, as he currently could not access all confidential reports. It was agreed for Democratic Services to investigate Councillor D Bigby's system access to ensure all confidential papers were available to him.

In response to a comment from Councillor D Bigby regarding paragraph 3.1 of the Remote Meeting Procedure Rules, it was agreed to look at the wording to make it clear that it was Members in attendance that would be regarded as present for the purposes of determining a quorum, not those authorised.

It was moved by Councillor J Clarke, seconded by Councillor C Benfield and

RECOMMENDED THAT COUNCIL:

- a) Adopt the amendments to the Constitution as set out in the report.
- b) Authorises the Head of Legal and Commercial Services to make the agreed amendments and any consequential amendments to the Constitution and re-issue the document.

16. COMMITTEE WORK PLAN

The Committee considered its current work plan.

By affirmation of the meeting it was

RESOLVED THAT:

The committee work plan be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.10 pm

Chairman's signature