



Councillor Karl Arthur – Chair of Audit and Governance Committee

Update to Council 22nd September 2020

The Audit and Governance Committee has met once since the last update provided to the council on 20th February 2020. This meeting took place on Wednesday 29th July 2020.

Audit and Governance Committee Meeting – 29th July 2020

The Audit and Governance Committee agenda was extremely busy with no fewer than sixteen items on the agenda. I would like to thank both officers and committee members for their support and comments during the course of the meeting. Unfortunately, due to work commitments I had to leave the meeting after item 10 of the agenda and I would like to thank the committee's vice chair, Cllr. Neil Reader, for stepping in and chairing the meeting after I had to leave.

During the chair's address at the start of the meeting I informed members that the statement of accounts for 2019-20 would have usually been brought before the committee for approval at the July meeting. However, the statutory deadlines had been extended to the end of November 2020 as a result of Covid-19; the statement of accounts will therefore be presented to the October meeting.

Members considered the External Audit Strategy Memorandum and asked which principle assets were reviewed as part of the property, plant and equipment valuation and who prepared the valuations. It was confirmed that the principle assets were council dwellings, land and buildings and that valuations were prepared by external experts. Members were also informed that an error had occurred in 2018-19 in the property, plant and equipment valuation because this valuation had commenced late. To prevent a repeat, the 2019-20 valuation on property, plant and equipment had taken place first. Members noted this report.

The committee also discussed the Internal Audit, Counter Fraud and Information Governance plan for 2020-21. A number of queries were raised in relation to this report:

- Members asked a number of questions regarding essential audit work. The Audit Manager for Veritau explained that the work of internal audit was a statutory requirement and assured the committee that the reports contents reflected good coverage of the council's activities and assurance of effective management;
- The committee queried the costs of detecting fraud, and asked if the money would be better spent protecting against fraud. They were informed that both fraud detection and protection were important, but that detection also provided a deterrent;
- Members queried if ways to publicise the counter fraud activity of Veritau to act as a deterrent had been introduced. They were informed that a counter fraud message was printed on all Council Tax bills in the district;

- A query was raised regarding what actions were taken against fraudsters once it had been identified. It was confirmed that appropriate action was taken and that the severest sanction could be prosecution.

The committee then agreed to approve the Internal Audit, Counter Fraud and Governance Plan for 2020-21.

Members considered the Annual Governance Statement 2019-20 which was provided by the Chief Finance Officer who explained that the report provided an assessment of the governance environment for 2019-20 and would form part of the draft Statement of Accounts which would be brought to the committee in October. In a response to a query in relation to committee meetings the Democratic Services Manager confirmed that the Scrutiny and Policy Review Committee meetings would be resumed in the near future. Members acknowledged that the action plan was being monitored by the leadership team but queried what assurance could be given that deadlines would be met. Members noted the draft Annual Governance Statement.

The committee received the Annual Report of the Head of Internal Audit which provided a summary of the internal audit work carried out since April 2019 and the counter fraud work carried out during the year 2019-20. Members queried reasonable assurance opinions on the report, when the audit of Performance Management would be completed and the cost of the staff hours taken to achieve the £17k savings against fraud.

The Committee also received the Risk Management Annual Report 2019-20 which summarised the risk management activity during the year 2019-20, whilst also showing planned work for the current 2020-21 municipal year. Members noted this report.

The Audit Manager presented the Corporate Risk Register 2020-21 and explained that this report contained the twice yearly update on the movements within this register. This was last reported to the committee in January 2020. Members noted the current status of the register.

The Solicitor to the Council and Monitoring Officer presented the report which provided an update on the amendments made to the Constitution of the Council following a review undertaken in her role as Monitoring Officer, it was noted that the changes which had been made under delegation were either administrative, as a result of legislative changes, or as approved by the Audit and Governance Committee in the resolution dated 10 April 2019 in relation to standards arrangements; and also included giving effect to new remote meeting procedure rules.

The committee then reviewed the updated Selby District Council Code of Conduct and Local Government Association (LGA) Model Code of Conduct Consultation which confirmed the amendments made to the Councils Code of Conduct for Members, and arrangements for dealing with standards complaints. Members were advised that the best practice list identified by the Standards in Public Life Commission had been considered by the Audit and Governance Committee in April 2019 had been incorporated into the Councils Code of Conduct for Members and now fully complied with these recommendations. Members noted the updated Council Code of Conduct for Members and the arrangements for dealing with standards complaints and also to note the LGA Model Code of Conduct.

The committee considered the Audit and Governance Committee Annual Report for 2019-20. A member felt that although the report reviewed the work of the Audit and Governance Committee during the previous municipal year it should also include future objectives for the committee. It was decided to ask the chair to consider adding this to the Audit and

Governance Committee Annual Report and then bring it back to the next committee meeting. I have considered this issue since the committee met and consider it worthy of merit so that the amended report will now come back to the committee in October.

Finally, the Solicitor to the Council and Monitoring Officer presented the report which provided members of the committee with details of the decisions taken by the leader of the Council and senior officers under urgency procedures between 23rd March 2020 and 14th July 2020 due to the corona virus lockdown. Members noted the decisions taken.

Audit Committee Training

I explained to the committee that officers would plan some dedicated committee briefings to replace the quarterly pre-meeting training and development sessions held directly prior to the committee meeting. Members were asked to consider any specific topics they would like to cover and feed these back to the Democratic Services Officer.

Next Meeting

The next meeting of the Audit and Governance Committee will be taking place on Wednesday 21st October 2020.

I commend my statement to the council.

Councillor Karl Arthur

Chair, Audit and Governance Committee