

Notice of Audit and Governance Committee



Date: Thursday, 13 January 2022 at 6.00 pm

Venue: Committee Suite, Civic Centre, Poole BH15 2RU

Membership:

Chairman:

Cllr J Beesley

Vice Chairman:

Cllr L Williams

Cllr M F Brooke
Cllr D Butt
Cllr M Cox

Cllr L Fear
Cllr A Filer
Cllr M Phipps

Cllr Dr F Rice

All Members of the Audit and Governance Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=4850>

If you would like any further information on the items to be considered at the meeting please contact: on 01202 096660 or email democratic.services@bcpcouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpcouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

5 January 2022



Available online and
on the Mod.gov app

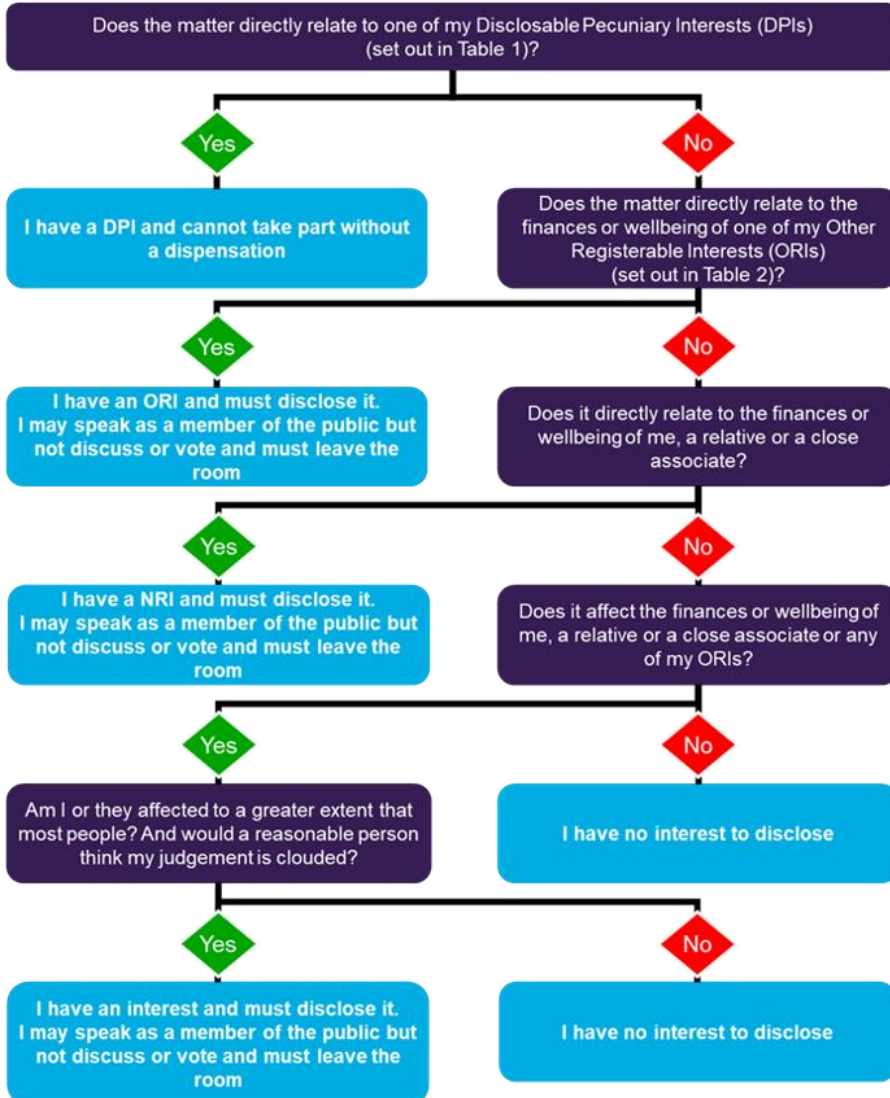


Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(susan.zeiss@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

1. Apologies

To receive any apologies for absence from Councillors.

2. Substitute Members

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

3. Declarations of Interests

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

4. Confirmation of Minutes

To confirm as a correct record the minutes of the Meetings held on 01 December 2021 and 02 December 2021.

7 - 18

5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/documents/s2305/Public%20Items%20-%20Meeting%20Procedure%20Rules.pdf>

The deadline for the submission of public questions is 06 January 2022.

The deadline for the submission of a statement is 12.00 noon on 12 January 2022.

The deadline for the submission of a petition was 24 December 2021.

6. External Auditor – Audit Progress 2020/21 & Sector Update

Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit & Governance Committee on their progress to date in delivering their responsibilities.

19 - 40

The report states that the proposed target completion date for their fieldwork was 30 November 2021 and that they aimed to give their opinion on the financial statements by the end of December 2021. However a

number of matters have arisen that have resulted in delay to this timetable. Reasons for the delay are included in the report and a revised date for the sign off of the financial statements of February 2022 has been set.

Progress has been made on the certification of claims and returns for the Council as detailed in the report.

The report states that the Financial Reporting Council (FRC) published its annual report on 29 October 2021 setting out the findings of its review of the work of local auditors. The FRC described Grant Thornton's improvement in audit quality as an 'encouraging response by the firm to the quality findings reported in the prior year'.

The report also includes a summary of emerging national issues and developments that may be relevant to the Council.

7. Treasury Management Monitoring report for the period April to December 2021 and Treasury Management Strategy 2022/23

41 - 106

This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2021 to 31 December 2021. A surplus of £619k will be achieved through lower borrowing costs due to historically low interest rates and higher interest earned on investments.

The Treasury Management Strategy 2022/23 is included as an appendix to this report. Key changes to the strategy have been set out in paragraphs 18-20 as well as inclusion of analysis of the approach to finance more of the capital programme through borrowing.

The report also sets out in paragraph 29-31 to modify the council's accounting policy surrounding capitalisation of interest during the construction of major capital projects.

8. Risk Management – Corporate Risk Register Update

107 - 126

This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows:

- Two new risks have been added to the council's Corporate Risk Register during the quarter:
CR18 - Failure in customer interface
CR19 – Failure to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)
- Corporate Risk CR17 - Risk to Reputation of Place & Council if summer arrangements are not managed – has been removed from the Corporate Risk Register
- Details of those risks where a review was not possible during the quarter are included.

9. Annual Governance Statement 2020/21 - Action Plan Update

127 - 136

This report provides an update against the Annual Governance Statement (AGS) Action Plan which identified actions to be taken to address the significant governance issues in 2020/21 AGS, as follows:

- 1) Governance of Children's Social Services - Delivery of the 15-point

action plan has a robust governance structure. Significant improvements have been made from last year, from a weaker starting point than was first realised. All services are showing improvement, albeit with different rates of progress. In December 2021, Ofsted completed an inspection of local authority children's services visit, the outcome of which will be known in February 2022, when the report will be published. The improvement plan is being adjusted in line with findings of this inspection.

2) Governance Arrangements with External Bodies

- a) Parks, charities and trusts – two reports on the governance of public parks have been taken to Audit & Governance Committee in the year. The December 2021 report made recommendations including for a report to assess all BCP parks and open spaces trusts arrangements, including options for governance arrangements. The Internal Audit review resulted in a partial audit opinion, meaning there are weaknesses in the control framework which are putting service objectives at risk.
- b) Partnerships – progress has been made to develop a corporate partnership register and draft guidance, however, this has been slower than anticipated and is now due to be completed by 31/3/2022.

Progress to ensure full compliance with the Financial Management Code from 2021/22 is underway. The Council's Finance transformation programme, along with other measures, is expected to deliver improvements, savings and efficiencies.

10. **Assurance Framework & Internal Audit Planning Consultation**

137 - 144

This report sets out the BCP Assurance Framework which identifies the different sources of assurance received across the Council. An additional key assurance area, Sustainable Environment, has been added to the Assurance Framework.

The report also provides details of the proposed 2022/23 Internal Audit Plan approach. Following the PSIAS assessment this year the audit planning process has been enhanced to ensure links to corporate priorities and risks are clearly articulated.

11. **Internal Audit - Quarterly Audit Plan Update**

145 - 150

This report details progress made on delivery of the 2021/22 Audit Plan for the period October to December (inclusive) 2021. The report highlights that:

- Fifteen audit assignments have been completed, of which there were thirteen 'Reasonable' and one 'Partial' audit opinions and there was also one 'Consultancy' audit review;
- Twenty six audit assignments are in progress;
- Implementation of audit recommendations is satisfactory;

Further progress to address the recommendations and suggestions made in the Public Sector Internal Audit Standards external assessment has been made resulting in one recommendation and three suggestions being implemented.

12. Forward Plan (refresh)

151 - 154

This report sets out the reports to be considered by the Audit & Governance Committee for the 2021/22 municipal year in order to enable it to fulfil its terms of reference.

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.