

Notice of Audit and Governance Committee



Date: Thursday, 1 December 2022 at 6.00 pm

Venue: Committee Room, First Floor, BCP Civic Centre Annex, St Stephen's Rd, Bournemouth BH2 6LL

Membership:

Chairman:

Cllr J Beesley

Vice Chairman:

Cllr L Fear

Cllr M F Brooke
Cllr D Butt
Cllr M Cox

Cllr A Filer
Cllr M Howell
Cllr T Johnson

Cllr M Phipps

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=5007>

If you would like any further information on the items to be considered at the meeting please contact: Democratic Services 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

23 November 2022

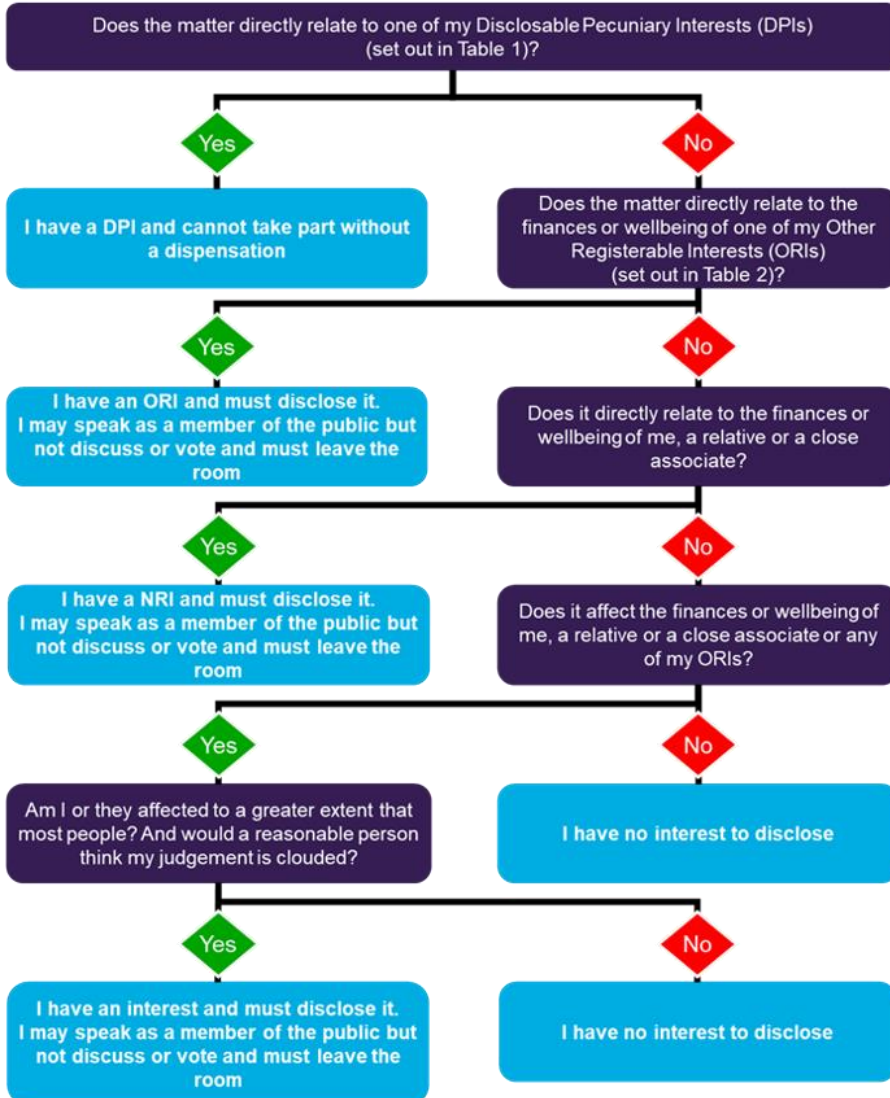


Maintaining and promoting high standards of conduct

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 Meeting held on 27 October 2022.

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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.bcpCouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&Info=1&bcr=1>

The deadline for the submission of public questions is 4 clear working days before the meeting.

The deadline for the submission of a statement is midday the working day before the meeting.

The deadline for the submission of a petition is 10 working days before the meeting.

6. Corporate Risk - Transformation

To receive a presentation to provide the Committee with assurance that the risks associated with the Council's Transformation agenda, of BCP Council services and functions, are being suitably managed.

7. Corporate Risk - Climate Change

To receive a presentation to provide Audit and Governance Committee with assurance that the risks associated with the Council's declaration of a climate emergency and suitable mitigation activities are being suitably managed.

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.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 27 October 2022 at 6.00 pm

Present:-

Cllr J Beesley – Chairman

Cllr L Fear – Vice-Chairman

Present: Cllr M Cox, Cllr A Filer, Cllr M Howell and Cllr M Phipps

141. Apologies

Apologies for absence were received from Councillors D Butt, M Brooke and T Johnson.

142. Substitute Members

Formal notification had been received appointing Councillor M Iyengar as substitute for Councillor D Butt and Councillor D Brown as substitute for Councillor M Brooke.

143. Declarations of Interests

Councillor M Cox declared his employment as a professional Auditor.

144. Confirmation of Minutes

Councillor Cox informed the Committee that he had not had the opportunity to read the draft minutes of the last meeting of the Committee and would therefore abstain from voting on this item.

RESOLVED that the Minutes of the meeting of the Committee on 20 October 2022 were confirmed as a correct record.

Voting: For – 4; Against – 0; Abstain - 1

145. Public Issues

The Committee was advised of the receipt of three Public Questions and three Public Statements.

Public Questions from Mr Alexander McKinstry

Public Question 1.

The report for Item 8 on tonight's agenda recommends adding a new rule to the Constitution - putatively, Procedure Rule 13.4.9, 'No member of the public may ask more than one question on any individual item of business'. What is the rationale behind this recommendation?

Response:

This recommendation will be the subject of full and open debate by the Audit and Governance Committee and at the Council meeting in November. The objective of this recommendation, if adopted by the Committee, is to ensure that the best possible use is made of the time available within the Committee meeting in which to receive public questions.

Public Question 2.

I see from Paragraph 43 of the same report that the proposed changes to the Constitution re public participation at meetings were 'discussed at length', and there was 'not a consensus ... on all the points raised'. Can the minutes of these meetings be released, as it'd be useful to know which councillors wanted to limit public questions, which councillors wanted acronyms to be part of the word count, and so on and so on.

Response:

Discussions at the Constitution Review Working Group are not made available publicly but the membership of this informal Group is made up of five members from the Audit and Governance Committee selected on a broadly cross-party basis. No decisions are made by the Working Group. The objective of the Group is to develop a set of recommendations for full and open discussion and debate at the full Committee. The Constitution review project is following a tight timetable to ensure that any changes are in place in good time for implementation ahead of the elections in May 2023 but members of the Working Group are unconstrained in how they contribute to the debate at the Committee and then again at the full Council meeting in November.

Public Question 3.

In the revised draft of Part 3A of the Constitution, also appended to Item 8, 2.4 allows the planning committee to 'receive and provide comments [on] pre-application planning proposals'. Can the Constitution also be updated to confirm whether members of the public will be allowed to attend and report on these meetings, and whether these pre-application meetings will **[be]** announced on BCP's website (or even known about)?

Response:

This recommendation will also be the subject of full and open debate by the Audit and Governance Committee and at the Council meeting in November. The objective of this recommendation, if adopted by the Committee, is to formalise within the Constitution the provisions within the Council's Local Code of Best Practice.

If supported by Council, it will then be for the Planning Committee to determine the operational arrangements, although it is understood that the intention would be for these pre-applications to be included as part of the

public agenda and therefore the access to information provisions would apply.

Public Statements (in order of receipt)

Public Statement 1

Public Statement from Mr Alexander McKinstry

'When this Council's scrutiny regime was reconfigured back in May, we were told that 'the voice of residents ... [would] come shining through' in consequence. Limiting public questions, as proposed under Item 8, would achieve the exact opposite of this. It would reduce public knowledge; diminish accountability; and probably discourage public participation generally - why bother attending meetings if you're restricted to one question on a subject you hold dear? Finally, the proposal dilutes a public right, following no consultation with that public whatsoever. It is an anti-democratic manoeuvre, and I deplore it utterly'.

Public Statement 2

Public Statement from Mr Phillip Gatrell

REVIEW OF CONSTITUTION Current Section 11.3a) page 2-23:
CONTINUING MISSTATEMENTS IN MONITORING OFFICER'S (MO's)
FULL REPORTING DUTIES TO ALL MEMBERS UNDER SECTIONS 5 &
5A (S5 & S5A) OF THE LOCAL GOVERNMENT & HOUSING ACT 1989
REGARDING CONTRAVENTIONS OF LAW & EVENTS OF
MALADMINISTRATION

S5 & S5A clearly legislate each Member be informed of maladministration & actual & potential contraventions of law.

Contrary to S5 & S5A the Constitution wrongly omits reporting of actual contraventions to all Members.

Similarly regarding S5A & maladministration & potential contraventions arising from executive functions, the Constitution wrongly states they are reported only to the executive comprising Leader & Cabinet not to all Members.

The MO declines corrections on the invalid grounds of "interpretation" & "not all legislation" can be included in the Constitution - although few extra words are necessary.

To ensure transparent governance & accountability, I trust the Committee immediately recommends this fundamental law be correctly stated.

Philip Gatrell 25 October 2022

Additional Note

The Chief Executive, with the agreement of the Chairman of the Committee, made a statement to the Committee informing Members that Susan Zeiss, the Council's Monitoring Officer, had responded to Mr Gatrell in very clear terms saying that her duties and obligations were to advise the Council and to support Councillors on matters of governance. There had also been extensive correspondence with Mr Gatrell and if he believed that he had the foundation for a claim against the Authority, or any of its Officers, he should raise this formally in order that it could be dealt with under the Council's policies. The issues raised by him should now be brought forward through these formal channels and not raised through questions and statements to the Committee. The Chairman of the Committee advised that he had also emailed Mr Gatrell in similar terms and that a copy of his email had been circulated to the Committee.

Public Statement 3

Public Statement from Mr Phillip Gatrell

REVIEW OF CONSTITUTION Observations on proposed changes to Constitution with reference to Revised Sections 24 & 25 on pages 4-16 to 4-17 relating to Members' rights to information in: LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (MEETINGS & ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012

Following my correspondence concerning the previously withheld KPMG reports it is noted that –

- The above Sections are to be revised by, for instance, unifying the cross-references to clarify Members' statutory rights to inspect documents in the course of their functions.
- Further review must be undertaken to remove remaining inaccuracies.

For example:

25.1 - Delete "it contains Confidential or Exempt Information or" as this exclusion does not comply with the 2012 Regulations & insert instead the exclusion for "draft" - as opposed to final - documents.

25.2 - Delete entirely as redundant & also contextually incorrect with this Section's reference to restriction for "any Key Decision".

Philip Gatrell 25 October 2022

Public Statement 4

Public Statement from Mr Phillip Gatrell

REVIEW OF CONSTITUTION Revised Section 13 page 4-42 et seq: CONCERNING THE PROPOSED FURTHER RESTRICTIONS ON PUBLIC PARTICIPATION AT COUNCIL MEETINGS RESULTING IN A SUBVERSION OF DEMOCRATIC PROCESSES TO THE DETRIMENT OF TRANSPARENCY, ACCOUNTABILITY & CATALYSTS FOR IMPROVEMENTS IN GOVERNANCE & PERFORMANCE

Impacts for this Committee's consideration –

- Public Questions & Statements for committees are limited to agenda specific items following changes in 2020.
- Entailing - regardless of urgent subject matter & committee relevance - Issues may not be raised when necessary; a position compounded by uncertainties regarding future agenda eligibility & potential long hiatuses between meetings.
- Proposed changes for committee meetings exacerbate this. For example: Stricter definitions of the already constraining 100 permitted words; an individual's limit of one Question & one Statement per meeting; no public awareness of Issues if an individual is unable to attend a meeting but does not have a nominated speaker attending instead.

Philip Gatrell 25 October 2022

Public Statement 5

Public Statement from Mr Adam Sofianos (Read out at the Committee by Mr Alexander McKinstry)

Agenda Item 8 proposes changes to the rules around public participation in Council meetings. This includes the removal of the right to have an Officer deliver a question or statement on someone's behalf.

This change would discriminate against workers, carers, and anyone else unable to attend Council meetings in person. It would further directly discriminate against disabled and neurodivergent people.
I am appalled by this prospect.

It's essential that democracy can work for all people, not just a few. That includes the ability of people to question their leaders.

I therefore urge Councillors to reverse this inexcusable act.

Additional Note

In response to questions from the Committee, the Chairman of the Constitution Review Working Group confirmed that issues raised in the Public Statements relating to the Constitution would be referred to a future meeting of the Working Group for their consideration.

146. **External Auditor - Audit progress and sector update**

The External Auditors, Grant Thornton, presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Members were introduced to Mark Bartlett of Grant Thornton who would be taking over from Sam Harding as Engagement Manager and the Committee thanked Sam Harding for her contribution to auditing of the BCP accounts.

The Committee received an update on the latest position regarding completion of the 2020/21 BCP Opinion Audit which continued to be delayed due to the previously reported issues around infrastructure asset valuation and sign-off of the Pension liability by Dorset Pension Fund Auditors. It was reported that Auditors of other Councils had also identified similar issues relating to Pension Funds.

The Committee was, however, advised of material progress in resolving these issues with a CIFA solution to the infrastructure issue now expected to be forthcoming in December. This would enable an Opinion to be issued in the New Year although the detail of how to achieve that remained the subject of discussion. Additionally, the letter of assurance relating to the Dorset Pension Fund was reported to have been eventually received on 10 October, although the letter had given rise to a set of additional issues which could potentially impact upon the accounts and which needed to be explored by the Auditors. In the case of the BCP Council share of the Pension Fund this included a potential uplift in valuation.

The Chairman reassured the Committee that meetings at senior Officer and Member level had continued in an effort to resolve this and the required letter had, in fact, been received following the most recent meeting on 20 September 2022.

In the meantime, formal elector objections to the accounts were all reported to have been considered and dismissed.

The External Auditors explained that work had commenced now on the 2021/22 audit although the Auditors were aware of current capacity issues within the Council which might require priority to be placed upon outstanding issues emerging from the 2020/21 Accounts. Audit deliverables for the 2020/21 and 2021/22 were set out and scheduled.

Members were reminded that the External Auditor's work towards the 'Value For Money' conclusion had been discussed separately by the Committee at its meeting on 20 October 2022. It was noted that further reports would be submitted as necessary as clarity emerged as to the Council's adopted way forward in response to the financial challenges that it currently faced.

External Audit fees for the 2020/21 audit work had not yet been determined but Grant Thornton anticipated that the considerable additional work on the audit would need to be reflected in the fee level following discussion, as required, with the Council's Section 151 Officer.

The Auditors responded to a range of detailed questions from the Committee.

The Committee was provided, by means of a Sector Update, with a summary of emerging national issues and developments that might be of relevance to the Council.

RESOLVED that Audit and Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.

Voting: Unanimous

147. External Auditor - 2021/22 Audit plan

The External Auditors, Grant Thornton, presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

The report set out the work that the Council's External Auditor, Grant Thornton, planned to undertake for the audit of the Council's Statement of Accounts in respect of 2021/22 and explained that the objective was to give an opinion on whether the accounts gave a true and fair view and whether the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Committee considered the Auditor's comments on significant identified risks; materiality and 'Value for Money' arrangements and was also reminded of their meeting on 20 October where they had considered significant corporate risks.

The Committee was advised that, as part of risk assessment procedures, Grant Thornton were required to obtain an understanding of management processes and the process of Audit and Governance Committee's oversight. Specifically this was under the headings of General Enquiries of Management; Fraud Risk Assessment; Impact of Laws and Regulations; Related Parties; Going Concern and Accounting Estimates. To inform the process, a series of questions on each of these areas and the responses received from BCP Council management in each case was included within the report for consideration by the Committee. It was explained that the management responses provided a starting point for further external audit work. There also remained the possibility of the opportunity to make further reports to the December meeting of the Committee.

Also attached to the report was a letter from Grant Thornton explaining that due to their 2020/21 'Value For Money' Auditors Annual report only being finalised this month, they were proposing to delay the commencement of their 2021/22 'Value For Money' review until early 2023.

The Auditors responded to detailed questions from the Committee. Assurances were provided that the Auditors were aware of and sighted in terms of the Council's associated companies such as 'Future Places' and the 'Bournemouth Development Company'. Information was also provided about the reporting of fraud and about the procedure in place for reporting fraud or suspicion of it through the Chief Executive, the Monitoring Officer or the Section 151 Officer. Any fraudulent activity uncovered by the External Auditor would also be reported irrespective of value. In response to questions, the terms and constraints under which the Council could dispose of assets were also set out.

The report also included an analysis of proposed audit fees for 2021/22.

RESOLVED that, Audit and Governance Committee notes the Grant Thornton External Audit Plan 2021/2022 for the Council including, subject to the additional points raised during discussion at the Committee, the management responses informing the audit risk assessment.

Voting: Unanimous

148. Review of the Council's Constitution – Recommendations of the Constitution Review Working Group

The Head of Democratic Services presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

The report summarised the issues considered by the Constitution Review Working Group and set out a series of recommendations arising from the Working Group for consideration by the Committee.

To assist the Committee in identifying the proposed changes, an attached appendix displayed the alterations and additions as track changes in red with text shown in blue identifying consequential formatting changes which did not require consideration by the Committee.

Any recommendations arising from the Committee would be referred to full Council for consideration and adoption.

RECOMMENDED that:-

- (a) in relation to Issue 1 (Powers of Head of Paid Service in relation to contracted workers), no changes be made to the Constitution;
- (b) in relation to Issue 2 (Standing to speak at Council and associated etiquette), the proposed amendments to the existing Procedure Rule 13.4 (page 4-49) and the insertion of a new Procedure Rule 6 (Duration of meetings) (page 4-37), be approved;
- (c) in relation to Issue 3 (Process for interpretation of Procedure Rules), the proposed amendments to the existing Procedure Rule 21 (page 4-54), be approved;
- (d) in relation to Issue 4 (Questions by Councillors at Council Meetings), the proposed amendments to the existing Procedure Rules 11.7 (page 4-42) and 13.5 (page 4-49), be approved;
- (e) in relation to Issue 5 (Arrangements for voting from the public gallery), no changes be made to the Constitution;
- (f) in relation to Issue 6 (Categories of officers falling within the definition of senior officers), the proposed amendments to the terms of reference for the Appeals Committee and the

Investigation and Disciplinary Committee (pages 3-19 and 3-19), be approved;

- (g) in relation to Issue 7 (Thresholds/Levels of Financial Delegation), no changes be made to the Constitution;**
 - (h) in relation to Issue 8 (Public participation – Public Questions, Statements and Petitions), the proposed amendments to the existing Procedure Rules 12 (pages 4-42 to 4-48), be approved, subject to:-**
 - a. the exclusion of the proposed new rule 13.4.9 (page 4-43);**
 - b. the exclusion of the proposed new rule 13.5.6 (page 4-44);**
 - c. the exclusion of the proposed new rule 13.5.7 (page 4-45);**
 - d. the exclusion of the proposed changes to existing rule 12.5.6 (page 4-45);**
 - e. the 100 word limit referred to in existing rules 12.4.4 (page 4-43) and 12.5.4 (page 4-44) being amended to read 120;**
 - (i) in relation to Issue 9 (Access to documents – Overview and Scrutiny Committees), the proposed amendment to the existing Procedure Rules 24.3 (page 4-17), be approved;**
 - (j) in relation to Issue 10 (Prevent Channel – Statutory functions), the proposed amendment to Part 2, Article 12 (Decision Making) (page 2-25), be approved;**
 - (k) in relation to Issue 11 (Co-opted and other non-Councillor members of Children’s Services Overview and Scrutiny Committee), the proposed insertion of paragraph 6.7.3 to Part 2, Article 6 (page 2-14) and Part 3A, paragraph 4.5 (page 3-13), be approved;**
 - (l) in relation to Issue 12 (Planning process governance issues), no changes be made to the Constitution;**
 - (m) in relation to Issue 13 (Voting by Councillors), the proposed insertion of paragraph 18.1 to existing Procedure Rule 17 (page 4-53), be approved;**
 - (n) in relation to Issue 14 (Attendance of Councillors at meetings), no changes be made to the Constitution;**
 - (o) in relation to Issue 15 (Lead Members on Scrutiny), Part 2, Article 6 (Overview and Scrutiny), paragraph 6.4.2 (page 2-13) be amended to read:-**
 - “Lead Members of the Cabinet may not be a member of Overview and Scrutiny Committees.”**
- (Voting in respect of item (o) only: For – 4; Against – 0; Abstain – 3)
- (p) in relation to Issue 16 (Eligibility for election of office), the proposed insertion of paragraphs 2.5 and 2.5 to existing Procedure Rule 2 (pages 4-36 and 4-37), be approved;**

- (q) in relation to Issue 17 (Planning Committee Delegations), the proposed insertion to Part 3A, paragraph 2.4 (page 3-9), be approved;**
- (r) any necessary and consequential technical and formatting related updates and revisions to the Constitution be made by the Monitoring Officer in accordance with powers delegated.**

Voting: Except as indicated above, voting was unanimous.

149. Governance of Corporate Health & Safety and Fire Safety

The Health and Safety Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

The report detailed progress made on the delivery of Health & Safety and Fire Safety governance arrangements for BCP Council. Health and Safety and Fire Safety Board meetings were reported to be taking place quarterly with good attendance by Service Directors or their representatives. In addition, the Health and Safety and Fire Safety Forum provided the means of consultation with all employees and opportunities to share best practice on a scheduled basis and through a dedicated Microsoft Teams Channel. The latest situation regarding the lifting by Central Government of legal requirements relating to Covid was also noted.

The report also provided a comprehensive summary of operational activity including particularly the Health & Safety Executive (HSE) unannounced visit to a BCP Council highways scheme. The HSE had found that actual arrangements on site were safe but were likely to make a number of suggested improvements to training and awareness of policies and procedures amongst workers on site and to arrangements for monitoring the impact on workers' health of hazards such as vibration or noise.

There were reported vacancies within the Team for which recruitment was currently under way and which had resulted in prioritisation of some key activities. Members were reassured, however, that, following resignation of the Corporate Director, interim arrangements were in place to provide continuity whilst ultimate responsibility remained with the Chief Executive.

RESOLVED that

- (a) Health & Safety and Fire Safety on-going governance arrangements continue to be reported to the Audit and Governance Committee annually;**
- (b) Audit and Governance Committee notes the continued progress in implementing the Health and Safety and Fire Safety governance arrangements and the operational updates;**
- (c) That in order to raise awareness of activity and governance arrangements relating to Health and Safety and Fire Safety across the Council, a copy of the report be circulated to all members of Council.**

Voting: Unanimous

150. Emergency planning and business continuity update report

The Emergency Planning and Resilience Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

It was reported that emergency planning and business continuity activity across the BCP Council over the reporting period had been focused on getting back on track following the significant response to COVID and the disruption caused to the planning side of resilience.

Significant progress had also been made in business continuity and the Council's response arrangements had been put to the test with numerous large scale emergency responses dominated by extreme weather and fires and evacuations.

At a national level the resilience agenda continued to evolve and the impacts of this were being looked at and incorporated into planning and response activities locally.

The Chief Executive reminded the Committee that overview and scrutiny work was being scoped to include a role for some aspects of emergency planning and more specifically Charter Trustees and ward councillors during responses to issues like fires and evacuations.

RESOLVED that Audit and Governance Committee notes

- a) The emergency planning and business continuity activity that has taken place during the monitoring period;**
- b) The significant progress in delivering the business continuity management programme;**
- c) The ongoing development of resilience governance arrangements including the process for debriefing, capturing learning and monitoring the implementation of recommendations;**
- d) The national level update on resilience and the implications of this locally.**

Voting: Unanimous

151. Treasury Management Monitoring update for Quarter 2 2022/23

The Assistant Chief Financial Officer presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

The Committee was reminded of the requirement under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury

Management Code of Practice that regular monitoring of the Treasury Management function was reported to Members.

It was explained that Council were required to approve any changes to the prudential indicators based on a recommendation from the Audit and Governance Committee.

The report included a summary of the contextual economic background and a tabulation of interest rate projections provided by the Council's Treasury Consultants. Summaries of the Council's borrowings and investments as at 30 September 2022 were also provided.

The report also sets out the Quarter 2 performance for 2022/23 which forecasted an underspend of £1.5m due to the increase in interest rates.

RESOLVED that Audit and Governance Committee notes the reported activity of the Treasury Management function for April to September 2022.

Voting: Unanimous

152. Risk Management – Corporate Risk Register Update

The Risk and Insurance Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

The Committee received an update on the position of the Council's Corporate Risk Register and were reminded particularly of the separate discussion at their extra meeting on 20th October 2022 relating to Corporate Risk 9 (Failure to maintain a safe and balanced budget for the delivery of services) and Corporate Risk 13 (Failure to deliver the transformation programme). A review of Risk Management arrangements generally would also be the subject of discussion at the extra meeting of the Committee on 01 December 2022.

It was reported that the Register continued to be presented in the updated format for the quarter with five risks updated to reflect a new risk owner and no new risks added or removed during the quarter. Material updates were also summarised.

In response to questions, the high focus on this subject provided by the Chief Executive and the senior management of the Council was underlined and the Committee itself confirmed its commitment to the current risk management approach. A number of the risks currently identified had been brought forward for inclusion on the list by the Committee itself. The Committee was assured that any developments relating to the climate change risk would be made available to the Committee members.

RESOLVED that the Audit and Governance Committee notes the update provided relating to Corporate Risks.

Voting: Unanimous

153. Internal Audit - Quarterly Audit Plan Update

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

The report detailed progress made on delivery of the 2022/23 Audit Plan for the period July to September (inclusive) 2022 and the Plan was progressing well with no significant current concerns. The report highlighted that seven audit assignments have been completed, all of which were 'Reasonable' audit opinions and that twenty-four audit assignments were in progress.

The Head of Audit and Management Assurance used the special education needs and disabilities (SEND) audit as a reminder to the Committee of how Internal Audit provided assurance against an agreed scope. The SEND audit was a good example in the way that it added value rather than repeated work of OFSTED and that the scope in that particular audit was on the adequacy of arrangements to deliver the action plan being used to address issues identified by OFSTED.

Implementation of audit recommendations was reported to be satisfactory and none had required escalation to Audit and Governance Committee.

BCP Council internal audit arrangements have been assessed against the questions posed in the recent CIPFA publication 'Internal Audit untapped potential' and found to be robust. The appendix in the report used a red, amber and green status self-assessment flag against the specific recommendations in the publication. Six amber areas were identified and proposed actions were highlighted for the Committee.

RESOLVED that Audit and Governance Committee notes progress made and issues arising on the delivery of the 2022/23 Internal Audit Plan.

Voting: Unanimous

154. Forward Plan (refresh)

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'J' to these Minutes in the Minute Book.

The report set out the reports to be considered by the Audit and Governance Committee for the 2022/23 municipal year in order to enable it to fulfil its terms of reference. The Committee noted the changes to meeting dates at the beginning of 2023 to reflect the Local Government Elections in May.

Members were invited to submit particular issues for discussion at the review by the Committee at its next meeting on 1st December of the arrangements for and process of risk management. This would include an exchange of the type of information that the Committee would like to receive to support future discussion of the Corporate Risk relating to the Transformation Programme (Corporate Risk 13 - Failure to deliver the transformation programme).

It was also noted that the item relating to Governance of BCP Council parks still needed to be brought back to a future meeting of the Committee.

RESOLVED that the Audit and Governance Committee approves the forward plan set out at Appendix A.

Voting: Unanimous

155. Annual Report of Internal Audit Counter Fraud work and Whistleblowing referrals 2021/22

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'K' to these Minutes in the Minute Book.

The report described counter fraud work undertaken by Internal Audit to provide assurance on the Council's response to combating fraud and corruption and including details of work within five high risk areas as listed. Specific details of each investigation were set out for the Committee in a confidential appendix to the report. The nature of COVID grant investigation was also explained.

An annual assessment has been carried out to review the Council's arrangements for managing the risk of fraud and corruption using a tool provided by CIPFA resulting in assessment that recognised a high level of performance within BCP Council.

It was confirmed that Internal Audit had investigated all allegations of suspected fraud or financial irregularity in a proportionate manner.

Two formal whistleblowing referrals for the Council were received and investigated by Internal Audit during 2021/22.

The subjects for high level risk review included in the 2022/23 were set out.

RESOLVED that Audit and Governance Committee notes

a) the counter fraud work and investigations carried out by Internal Audit during 2021/22;

b) the whistleblowing referrals received during 2021/22.

Voting: Unanimous

The meeting ended at 10.43 pm

CHAIRMAN

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